

# EXHIBIT 59

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APPEARANCES:

On Behalf of Northeast Utilities and Intervenor:

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P R O C E E D I N G S

9:20 A.M.

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2  
3 SPECIAL AGENT GIETL: Okay, today is July 9,  
4 1996. We're at the Millstone Nuclear Plant in Waterford,  
5 Connecticut. The time is approximately 9:20 a.m. My name  
6 is Daniel Gietl, Special Agent with the Nuclear Regulatory  
7 Commission, Office of Investigations, assigned to Region IV  
8 in Arlington, Texas.

9 Would the other parties in the interview today  
10 identify themselves for the record, please?

11 MR. DeBARBA: Yes. I'm Eric DeBarba, Vice  
12 President of Nuclear Technical Services for Northeast  
13 Utilities.

14 MS. KUHN: I'm Nancy Kuhn, attorney for Mr.  
15 DeBarba and for Northeast Utilities Corporation.

16 SPECIAL AGENT GIETL: Mr. DeBarba, if you would  
17 stand and raise your right hand to take an oath, please?

18 Do you solemnly swear that the statement you're  
19 about to give will be the truth, the whole truth and nothing  
20 but the truth so help you God?

21 MR. DeBARBA: Yes, I do.

22 SPECIAL AGENT GIETL: Mr. DeBarba, you heard  
23 counsel's representation today as representing you and  
24 Northeast Utilities. Do you understand the representation?

25 MR. DeBARBA: Yes, I do.

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1 SPECIAL AGENT GIETL: Do you wish counsel to  
2 remain as your representative today?

3 MR. DeBARBA: Yes.

4 SPECIAL AGENT GIETL: For the record, as I  
5 mentioned before we went on the record, the focus of my  
6 investigation is regarding the downsizing that occurred in  
7 January of 1996 at Northeast Utilities and in particular, I'm  
8 focused on the employees terminated in Mr. Bonaca's  
9 department which I understand is under your department, was  
10 under your department, Engineering, at the time. Is that  
11 correct?

12 MR. DeBARBA: Yes, that is correct.

13 SPECIAL AGENT GIETL: I also would like to state  
14 that Mr. DeBarba was previously interviewed by the Nuclear  
15 Regulatory Commission in related matters by a task force on  
16 April 4, 1996.

17 Prior to going on the record, Mr. DeBarba, you  
18 reviewed your transcript?

19 MR. DeBARBA: Yes, I did.

20 SPECIAL AGENT GIETL: Okay, and you made the  
21 necessary changes and initialed each change?

22 MR. DeBARBA: I did.

23 SPECIAL AGENT GIETL: Okay, I want to start off  
24 with a broad question. Is there anything in here that's not  
25 right? Did you capture anything that didn't -- your meaning

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1 wasn't intended?

2 MR. DeBARBA: There were a few changes and I  
3 think they were pretty minor, pretty self-explanatory.

4 SPECIAL AGENT GIETL: Okay, okay. One thing, if  
5 you would, for me, please, as I said some of these things may  
6 be redundant a little bit, of your testimony, but I need to  
7 understand a little better. Business plan, strategic plan.  
8 Is there a difference? And if so, could you just give me a  
9 fundamental, what the difference was?

10 MR. DeBARBA: Business plan was something that  
11 as a company we've had for years. We've had business plans  
12 relative to what we were going to accomplish in any given  
13 year. Strategic planning is something that began in I'd say  
14 the '93-'94 time frame. We started to take a look at more  
15 strategically out five years and how we were going to  
16 accomplish our goals.

17 So there really was a transition to strategic  
18 planning.

19 SPECIAL AGENT GIETL: Is what I'm hearing,  
20 correct me if I'm wrong, I do this a lot. I'll feed back to  
21 you what I hear and you can correct me.

22 What I'm hearing is that your business plan is  
23 more of a broad brush of where your organization is going.  
24 A strategic plan is how you're going to get there?

25 MR. DeBARBA: Well, strategic is more broad

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1 brush.

2 SPECIAL AGENT GIETL: Oh, that's more broad.

3 MR. DeBARBA: Of where you are trying to go. In  
4 other words, what are the overall objectives, for instance,  
5 the corporate strategy was to in the Year 2000 to meet  
6 certain specific goals. For instance, create shareholder  
7 value by doubling the value of stock. That's a strategic  
8 goal.

9 SPECIAL AGENT GIETL: Oh, I see.

10 MR. DeBARBA: The business case, the business  
11 plan is what you're going to accomplish in 1996 and you have  
12 a business plan for 1997.

13 SPECIAL AGENT GIETL: Were the business plans  
14 done a year in advance or longer than that?

15 MR. DeBARBA: Usually, a year in advance.

16 SPECIAL AGENT GIETL: What about strategic plan?

17 MR. DeBARBA: The strategic plans are usually  
18 five years up.

19 SPECIAL AGENT GIETL: We get to -- Northeast  
20 Utilities got to downsizing. Is that part of the business  
21 plan, the strategic plan, separate from all that?

22 MR. DeBARBA: They all flow together. You begin  
23 with the strategic plan. You transition to a business plan  
24 and we interchange business plan and operational plan being  
25 very similar type of documents. They ultimately lead into

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1 a budget. So you're creating a budget for a given calendar  
2 year.

3 So if we're sitting here in 1996 time frame, we  
4 would be thinking about 1997. Strategically, we'd be looking  
5 at what are we going to do for 1997, 8, 9, 2000 and 2001.  
6 So we're really looking out five years what we're going to  
7 accomplish. We'd then be focusing on a business plan or an  
8 operational plan for 1997.

9 Once we have that operational plan, then we'd be  
10 looking at creating a budget. But operational plan is what  
11 is it that we're specifically going to accomplish? Is it  
12 consistent with our overall strategies and does it make  
13 sense? Is it the right thing to do?

14 SPECIAL AGENT GIETL: Was strategic plan the one  
15 that came up with that five year down the road we need to  
16 reduce costs, including personnel costs as well as any other  
17 costs?

18 MR. DeBARBA: Yes.

19 SPECIAL AGENT GIETL: When did that come about?  
20 When was it completed? I know it was an evolutionary thing,  
21 but what time did that five year plan for '96 to 2000, when  
22 did that --

23 MR. DeBARBA: Specific in time, I believe we were  
24 working on it, it was '96 through 2000, strategic plan, and  
25 we were working on that in 1995.

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1                   SPECIAL AGENT GIETL:   Were you part of that  
2 strategic plan?

3                   MR. DeBARBA:   Yes.

4                   SPECIAL AGENT GIETL:   What was your role?  Were  
5 you a contributor or did you lead the process or just a  
6 contributor or kind of tell me what you did with the  
7 strategic plan yourself?

8                   MR. DeBARBA:   Each of the officers had  
9 responsibility for either a functional area or a group of  
10 functional areas.  We had split the organization into 17  
11 functional areas, as I recall it.

12                   SPECIAL AGENT GIETL:   Okay.

13                   MR. DeBARBA:   I had responsibility for  
14 engineering, as well as the oversight group, the quality  
15 assurance group.  Those two groups were put together and so  
16 that under my responsibility as facilitator or sponsor, we  
17 had the responsibility of coming up with the elements of the  
18 business plan for those two functional groups.

19                   SPECIAL AGENT GIETL:   Okay.  Let me make sure I  
20 understand functional groups.  At that time you were the Vice  
21 President of Engineering?

22                   MR. DeBARBA:   Correct.

23                   SPECIAL AGENT GIETL:   Was that for all of  
24 Nuclear, the five plants, the one plant?  What responsibility  
25 did you have for Engineering, Engineering of what?

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1 MR. DeBARBA: Let me think back here a little bit  
2 in terms of time. We've made several organizational changes  
3 and I just want to --

4 SPECIAL AGENT GIETL: This might help. We had  
5 requested an organization chart of Northeast. Counsel had  
6 provided us a copy and the very first page here and it says  
7 Nuclear Organization Chart, Index 9/11/95, but you'll see  
8 inside various ones are dated a little bit differently, maybe  
9 August or something. And referred to -- well, find a page  
10 there where you're located.

11 MR. DeBARBA: Sure. Chart 2.

12 SPECIAL AGENT GIETL: That chart you just looked  
13 at, right there, before you go to Chart 2. You're referring  
14 to, the chart you looked at was Chart 1B, Planning, Licensing  
15 and Budgeting. Is that it or am I looking at the wrong one?

16 MR. DeBARBA: Chart 1 or Chart 1B?

17 SPECIAL AGENT GIETL: Correction, here we go.

18 MR. DeBARBA: Chart 1.

19 SPECIAL AGENT GIETL: Chart 1, that reflected  
20 your position at that time?

21 MR. DeBARBA: Correct.

22 SPECIAL AGENT GIETL: And the date was August 1,  
23 '95?

24 MR. DeBARBA: August 1, '95.

25 SPECIAL AGENT GIETL: Okay, and it shows there

1 you reported directly to John Opeka?

2 MR. DeBARBA: That is correct.

3 SPECIAL AGENT GIETL: Okay. Let's find out, go  
4 to Chart 2, if you want to show your group so you can tell  
5 me what Engineering was responsible for.

6 MR. DeBARBA: Yes. I had responsibility at this  
7 time when we were doing the strategic planning in 1995 for  
8 all of the engineering for the four Connecticut units.

9 SPECIAL AGENT GIETL: Okay. And was there  
10 additional -- besides the four units, did you have other  
11 responsibilities?

12 MR. DeBARBA: The four Connecticut units and that  
13 engineering also included nuclear engineering services which  
14 were provided for those four units.

15 SPECIAL AGENT GIETL: And that unit, was that  
16 Mario Bonaca?

17 MR. DeBARBA: Yes, that is correct.

18 SPECIAL AGENT GIETL: And they were out at  
19 Headquarters?

20 MR. DeBARBA: Yes, that's correct.

21 SPECIAL AGENT GIETL: Were you also located in  
22 Berlin at that time?

23 MR. DeBARBA: In 1994, I was transferred to  
24 Millstone. Physically located at Millstone.

25 SPECIAL AGENT GIETL: At the time of this chart,

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1 this is August of '95, you were?

2 MR. DeBARBA: I moved in August of '95. August  
3 of '94. I get the years mixed up. I moved in August of '94.

4 SPECIAL AGENT GIETL: To where?

5 MR. DeBARBA: To Millstone.

6 SPECIAL AGENT GIETL: And you've been here since?

7 MR. DeBARBA: Yes.

8 SPECIAL AGENT GIETL: Okay. But Bonaca was  
9 located up at Berlin, his unit?

10 MR. DeBARBA: Yes, he was the remaining part of  
11 Engineering that stayed in Berlin.

12 SPECIAL AGENT GIETL: These two other units on  
13 here on the chart that were headed up by Harris and McNamara,  
14 Spent Fuel Project Team Leader and MOV Program, these are  
15 also for what, for all the units?

16 MR. DeBARBA: They were special projects and Bob  
17 Harris was for all four of the Connecticut units and the  
18 Spent Fuel Project headed up by Mike McNamara was for the  
19 three Millstone units.

20 SPECIAL AGENT GIETL: Okay, and you said you also  
21 had -- did you also have Nuclear Assurance under you at this  
22 time or was that only for the functional part of downsizing?

23 MR. DeBARBA: It was only for Strategic Planning.

24 SPECIAL AGENT GIETL: Strategic Planning, okay.

25 MR. DeBARBA: And I was really the sponsor for

1 that.

2 SPECIAL AGENT GIETL: Who was Nuclear Assurance  
3 under at that time?

4 MR. DeBARBA: Joe Solymossy. If you look at  
5 Chart 1, you'll see that Joe Solymossy was on loan from INPO,  
6 was the Director of Quality and Assessment Services.

7 SPECIAL AGENT GIETL: That looks like it doesn't  
8 have the same rank as the other vice presidents and senior  
9 vice presidents where you were. Is that where it was kind  
10 of put under you?

11 MR. DeBARBA: He was not a vice president. He  
12 was a director, but what we did was we aggregated different  
13 areas, so we could focus on coming up with a strategic plan  
14 and it was five unit focus, so even though I did not have  
15 Seabrook under my direct responsibility, when we looked at  
16 strategic planning we looked at it on a five unit basis.

17 SPECIAL AGENT GIETL: You took Seabrook under  
18 your wings, so to speak at that time, also.

19 MR. DeBARBA: From a strategic planning  
20 standpoint.

21 SPECIAL AGENT GIETL: Now strategic planning,  
22 when you started to do this in '95?

23 MR. DeBARBA: '95, yes.

24 SPECIAL AGENT GIETL: Was that when they were  
25 thinking about downsizing or were there other issues or just

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1 downsizing?

2 MR. DeBARBA: No, no. In fact, downsizing was  
3 the least of the issues. The real issue was getting to the  
4 Year 2000 and being successful in doing that. What we were  
5 looking at was how could we pull our organization together  
6 to be more effective? At the time, our performance was not  
7 as good as it needed to be. And we were looking at finding  
8 ways to pull ourselves together, to make ourselves stronger.

9 SPECIAL AGENT GIETL: Okay. So you were looking  
10 at a wider array of things that happened to include  
11 downsizing.

12 MR. DeBARBA: Really, what we were trying to gain  
13 is this acronym we called the "Power of Five" and that is by  
14 bringing the power of the five units together, create a  
15 central, create a strong organization that is a lot more  
16 powerful than the individual components.

17 SPECIAL AGENT GIETL: Okay, okay. As part of  
18 that strategic planning in the 17 committees and I  
19 understand, did you head up the committee for Engineering  
20 that we just talked about?

21 MR. DeBARBA: Right.

22 SPECIAL AGENT GIETL: Did you actually  
23 participate in that or did you assign somebody on your  
24 behalf?

25 MR. DeBARBA: I actively participated.

1           SPECIAL AGENT GIETL: My understanding, the  
2 testimony I've gotten from various people, these committees,  
3 these 17 functional groups of which you headed up one part  
4 of it was to come up with staffing allocations that would be  
5 needed in the future or thereby also the reductions that  
6 would be okayed in the future. Is that correct?

7           MR. DeBARBA: Yes, we looked at all resources  
8 that we would ultimately need. We looked at how we would end  
9 up accomplishing what we were setting out to accomplish.

10           SPECIAL AGENT GIETL: Who was on your functional  
11 group with you, you had working with you?

12           MR. DeBARBA: Director level people.

13           SPECIAL AGENT GIETL: So this would be that Chart  
14 2? I believe it was Chart 2?

15           MR. DeBARBA: Yes.

16           SPECIAL AGENT GIETL: That would be Risley,  
17 Necci, Pitman, Haseltine and Bonaca?

18           MR. DeBARBA: Yes, that is correct and I believe  
19 Harris also participated. As far as Dr. Bonaca goes, he was  
20 also assigned to our Re-engineering Team during 1995 so he  
21 had an acting person who was filling in for him during part  
22 of that time. John Guerci, one of his managers, was acting  
23 as the director in that particular part.

24           SPECIAL AGENT GIETL: My understanding that the  
25 re-engineering where Bonaca was was to -- just that, re-

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1 engineer, reconfigure positions, how do we connect things,  
2 that sort of thing? How do we finish duplication of efforts?  
3 The "Power of Five" that you talked about, how do we put it  
4 together better? Is that really what his function was over  
5 there as you understood it?

6 MR. DeBARBA: In Re-engineering?

7 SPECIAL AGENT GIETL: Yes.

8 MR. DeBARBA: No, I think it was much more than  
9 that. We were really looking at taking a complete fresh look  
10 at the nuclear organization, learning from what the very best  
11 in the country and really, in the world, were doing in  
12 nuclear and incorporating those ideas and thoughts into  
13 creating a new organization, new culture, new thoughts, new  
14 processes that would get us to be a world class organization.

15 SPECIAL AGENT GIETL: Is that re-engineering that  
16 Bonaca was part of, was that work every completed?

17 MR. DeBARBA: Only to a degree. The original re-  
18 engineering team completed its task earlier this year and as  
19 a result we ended up revising our organization in January,  
20 end of January, beginning of February of this year, but there  
21 are still on-going things relative to re-engineering that we  
22 -- there's fruit that has not been borne yet and we have  
23 Steve Scace, our Vice President, who is responsible for the  
24 re-engineering going forward and that's his full-time job  
25 right now.

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1           SPECIAL AGENT GIETL:    Going back to your  
2 committee with the charge with strategic planning and coming  
3 up specifically focusing on the numbers that could be  
4 reduced, Guerci was filling in. Bonaca wasn't there for that  
5 area?

6           MR. DeBARBA:    Yes.

7           SPECIAL AGENT GIETL:    In my understanding from  
8 the testimony that I've gotten from people is that the 250  
9 that was ultimately going to be reduced over the five year  
10 strategic plan came from these committees, your committee  
11 plus the other 16?

12          MR. DeBARBA:    Yes, that's correct.

13          SPECIAL AGENT GIETL:    And that's how they arrived  
14 at 250, the directors, some managers may have participated  
15 with the directors? Did you know that, that some of the  
16 managers may have participated with the directors and come  
17 up with numbers for their areas?

18          MR. DeBARBA:    Yes, I don't remember specifically,  
19 but it would not surprise me that managers participated.

20          SPECIAL AGENT GIETL:    Okay, okay. To get to the  
21 numbers, as I understand it, that Northeast was going to  
22 reduce, then there was another committee developed to  
23 determine how to go about the downsizing, how do we reduce  
24 250 people?

25          MR. DeBARBA:    Yes.

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1 SPECIAL AGENT GIETL: And I understand you  
2 appointed or had Jeb DeLoach act in your behalf on that  
3 committee?

4 MR. DeBARBA: Each of the vice presidents  
5 appointed somebody to be a task force member. And I  
6 appointed Jeb DeLoach be the representative from Engineering.

7 SPECIAL AGENT GIETL: Okay, so that task force  
8 came up with a matrices process?

9 MR. DeBARBA: Yes, they did.

10 SPECIAL AGENT GIETL: As Vice President,  
11 yourself, and I guess others, did you have any approval or  
12 concurrence with the process the task force came up with?

13 MR. DeBARBA: Yes. The task force presented to  
14 the officer group the results of their work after they had  
15 been at it for a while. I don't know exactly at what point  
16 in time, but they had come up with a process that they  
17 believe was the right process to do the work and presented  
18 that to the officer group.

19 SPECIAL AGENT GIETL: What was the purpose of  
20 downsizing?

21 MR. DeBARBA: The purpose of downsizing? I'm not  
22 sure I understand your question.

23 SPECIAL AGENT GIETL: Why did you want to  
24 downsize?

25 MR. DeBARBA: I think what we were looking at why

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1 did strategically we want to implement a strategic plan. We  
2 wanted to implement a strategic plan so that the company  
3 could stay in business and so if you kind of back out of that  
4 you say well, we took a look at our business, as an  
5 enterprise. We took a look at Engineering as an enterprise  
6 and said okay, Engineering, based on our knowledge and input  
7 of what other engineering organizations are doing, what we  
8 think we can gain by a Power of Five, what we think we can  
9 do by sharing a lot more internally, let's break apart  
10 engineering into its component pieces. Let's take a look at  
11 system engineering, for instance. What do we think our  
12 future stake on system engineering might look at? Let's take  
13 a look at design engineering.

14                   What we did in looking at that, we saw that, for  
15 instance, in the design engineering, we had an opportunity  
16 to be able to produce a better product at a much lower cost.

17                   SPECIAL AGENT GIETL: If I might stop you there,  
18 is that where your group, your task force in Engineering, you  
19 came up with your numbers, that was all factored into your  
20 portion of Engineering?

21                   MR. DeBARBA: Right. So the purpose of --

22                   SPECIAL AGENT GIETL: Go ahead.

23                   MR. DeBARBA: The purpose of downsizing, as you  
24 phrased it, was to meeting our business plan, meet our  
25 strategic objectives.

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1 SPECIAL AGENT GIETL: Do it better and save  
2 costs?

3 MR. DeBARBA: That's correct.

4 SPECIAL AGENT GIETL: So you're trying to  
5 accomplish reducing the overall staffing of Northeast by 250  
6 positions?

7 MR. DeBARBA: Right.

8 SPECIAL AGENT GIETL: Okay.

9 MR. DeBARBA: But in a way that results in a  
10 better product.

11 SPECIAL AGENT GIETL: Okay, and as I understand  
12 it, the matrices process as I've been told would establish  
13 to determine who -- I've heard both, the term low value and  
14 low performing employees and I'm not sure that there's a  
15 distinction there. But I'll let you address it if you want,  
16 but that was the purpose of the matrices. If we're going to  
17 reduce 250, let's get rid of 250 people that aren't  
18 contributing very much or aren't expected to contribute much  
19 in the future. Is that correct?

20 MR. DeBARBA: That's correct.

21 SPECIAL AGENT GIETL: When you read, at the  
22 beginning of this, downsizing and you talked about up here  
23 at the level, I'm really looking at what the rules that you  
24 all set forth for yourself, so although this sounds like a  
25 hypothetical, it's not. Did someone get up there and say

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1 what if we do the early retirements and then we're going to  
2 matrix these other people. Is that correct?

3 MS. KUHN: Can you clarify the background a  
4 little bit?

5 SPECIAL AGENT GIETL: In other words, going back  
6 to the point where you set up a task force and you prepared  
7 the matrices and this is how we will go out here and rate all  
8 the employees. This is --

9 MR. DeBARBA: This after the matrices are all  
10 formed?

11 SPECIAL AGENT GIETL: After the task force has  
12 gotten together.

13 MR. DeBARBA: Okay.

14 MS. KUHN: Some forms, not the actual matrix?

15 SPECIAL AGENT GIETL: Not filling them out, just  
16 the task force has done what you've asked them to do, prepare  
17 documents or prepare some way that we go out and look at our  
18 work force.

19 MR. DeBARBA: And the officers have --

20 SPECIAL AGENT GIETL: No, the officers haven't  
21 done a thing yet.

22 MR. DeBARBA: I see.

23 SPECIAL AGENT GIETL: You've got the task force  
24 -- I'm going back to the initial stages.

25 MR. DeBARBA: Okay.

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1           SPECIAL AGENT GIETL: Before anything was sent  
2 up to the managers or directors or anybody.

3           MR. DeBARBA: Okay.

4           SPECIAL AGENT GIETL: At some point, seeing all  
5 the people you've got together and you said well, we're going  
6 to have a downsizing of 250, so maybe we can get some early  
7 retirements, and we establish a task force to pick up low  
8 value employees to pick up the rest, is that correct?

9           MR. DeBARBA: That's correct.

10          SPECIAL AGENT GIETL: Was there any discussion  
11 at that time that well, what if we get the 250 early  
12 retirements? Do we need to go forward with this process?

13          MR. DeBARBA: I think there was a lot of  
14 discussion about early retirements and throughout our  
15 discussion there was a time when we weren't even sure we were  
16 going to offer early retirements at all. We ultimately  
17 concluded that we would do that and we also concluded that  
18 from a process standpoint, you had to do that first before  
19 you did anything else. But I think my best recollection was  
20 that in taking a look at the total number of people who were  
21 eligible for early retirement, even if everybody took it, I  
22 think we'd still be short.

23          SPECIAL AGENT GIETL: How many do you think?

24          MR. DeBARBA: I think we had maybe 170, 180  
25 people who were eligible, maybe in that range.

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1                   SPECIAL AGENT GIETL: Were there discussions at  
2 that time of PVRs?

3                   MR. DeBARBA: Yes, I believe there were.

4                   SPECIAL AGENT GIETL: My understanding is that  
5 they were budgeted positions? PVRs.

6                   MR. DeBARBA: PVRs, yes.

7                   SPECIAL AGENT GIETL: So was there talk about  
8 what we just whack off the budgeted positions, would that get  
9 you closer to your 250?

10                  MR. DeBARBA: Yeah, I think in some cases that  
11 was done. The case of Seabrook, for instance.

12                  SPECIAL AGENT GIETL: Let me keep you at the  
13 first part, the discussions where you basically are setting  
14 up the rules about how we're going to accomplish this whole  
15 thing, how we're going to reduce 250 people. You've got  
16 early retirements. Was it discussed that PVRs might pick up  
17 the rest of the people we might need. Was there any thoughts  
18 to that?

19                  MR. DeBARBA: Yes, there was discussion along  
20 those lines.

21                  SPECIAL AGENT GIETL: How many PVRs were there  
22 approximately at that time?

23                  MR. DeBARBA: I really don't know.

24                  SPECIAL AGENT GIETL: No idea?

25                  MR. DeBARBA: No, no. I can tell you

1 historically what we ran in terms of percentage.

2 SPECIAL AGENT GIETL: Okay.

3 MR. DeBARBA: It's anywhere from 1 to 3 percent.

4 SPECIAL AGENT GIETL: Okay. Okay. And do you  
5 remember what you ended up in Engineering having this percent  
6 reduction in your staffing after the whole process was done?

7 MR. DeBARBA: Well, I think our numbers were  
8 something on the order of 700 people in Engineering, and we  
9 reduced -- you're including early retirements as well as  
10 people --

11 SPECIAL AGENT GIETL: Sure.

12 MR. DeBARBA: Who were terminated. It was about  
13 50 people, just shy of 50 people, I believe.

14 SPECIAL AGENT GIETL: Fifty out of?

15 MR. DeBARBA: 700. Less than 10 percent.

16 SPECIAL AGENT GIETL: Okay. Did you use PVRs in  
17 your computation anywhere?

18 MR. DeBARBA: We did, I believe we did for  
19 Seabrook only. I believe that we had one PVR in Seabrook.

20 SPECIAL AGENT GIETL: Okay, but it was your  
21 understanding at the beginning that PVR could count as one  
22 of your cuts that you would need to make in your department?

23 MR. DeBARBA: No.

24 SPECIAL AGENT GIETL: That's what I understood  
25 you to say.

1 MR. DeBARBA: No, I said in the case of Seabrook,  
2 we did.

3 SPECIAL AGENT GIETL: Before that I thought you  
4 said that the budget positions and it could be counted,  
5 that's why I'm asking you. My understanding was the rules  
6 was it could be counted?

7 MR. DeBARBA: No, specifically they would not be.  
8 We would not be allowed to count PVRs.

9 SPECIAL AGENT GIETL: Why not?

10 MR. DeBARBA: I think that overall we were taking  
11 a look at how we were going to get to the Year 2000 and  
12 beyond and be successful. We had put together a strategic  
13 plan that looked at what our resource needs were going to be  
14 to get to the Year 2000. We knew that going through this  
15 downsizing was going to be painful. I mean we're parting  
16 ways with some people that we've known and worked with for  
17 years and years and it's never easy.

18 We felt that from a morale standpoint and  
19 ultimately getting into that business case, that we're not  
20 doing ourselves any favors if we eliminate PVRs and don't end  
21 up reducing any people. What we were really looking at is  
22 not filling those PVRs as well as reducing, really at looking  
23 doing both.

24 SPECIAL AGENT GIETL: I must have a different  
25 understanding of budgeted positions. And I've talked to some

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1 people who I've interviewed who have asked me the same thing.  
2 Were those PVRs then, were they all wiped out never to be  
3 filled?

4 MR. DeBARBA: No.

5 SPECIAL AGENT GIETL: Why would you not want to  
6 do that rather than like you say, you knew it was going to  
7 be painful. Why not make it painless? Why not say we'll  
8 remove the budgeted position rather than the budgeted person?  
9 Why not do that?

10 MR. DeBARBA: At the time, even though I said it  
11 had not been cleaned off the books, I think to use an  
12 expression like that, we have not retired those PVRs, that  
13 by and large we have not been filling those.

14 SPECIAL AGENT GIETL: Okay, but you're still  
15 sitting there, you're a business plan, strategic plans,  
16 you're looking at costs. You have a committee for this, task  
17 force for that. You had a pretty good idea what number of  
18 bodies you wanted by the Year 2000, correct?

19 MR. DeBARBA: Uh-huh, right.

20 SPECIAL AGENT GIETL: Why wouldn't a budgeted  
21 position be factored into that because how many bodies am I  
22 going to have if I lay off 250 people and then I've got PVRs  
23 at 300. You'll end up with 50 people ahead by the Year 2000,  
24 as an example.

25 MR. DeBARBA: Right.

1                   SPECIAL AGENT GIETL: I don't understand why PVRs  
2 weren't considered the same as a filled position by an  
3 individual.

4                   MR. DeBARBA: What I'm telling you, I think, is  
5 that PVRs were looked at as almost money in the bank. In  
6 other words, those were positions that we already had that  
7 we knew that as an organization we had some signals in  
8 looking at our business plan that we were going to have to  
9 reduce hundreds of people in the organization and so we were  
10 looking at not filling these PVRs or at very best on a very  
11 selective case, bringing people in the organization.

12                   We were looking at, the last thing you want to  
13 be doing is bringing in new people in the organization and  
14 then having to let other people go. We didn't want to do  
15 that. What we were looking at is this is a time when we  
16 ought to reduce our organization by a certain number and then  
17 manage our affairs very carefully in terms of any kind of  
18 refills or any filling of open positions. Look at those on  
19 a case by case and exception base and then not fill those.

20                   We knew that at that time we were embarking on  
21 re-engineering and all the information was that we were going  
22 to have another -- I forget what the number is -- several  
23 hundred people that we were going to be letting go.

24                   SPECIAL AGENT GIETL: Honestly, to me, and I'll  
25 tell you what I'm hearing and it doesn't seem logical, if you

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1 don't want to bring people back after you've let some go and  
2 you're being very selective, you really don't want to fill  
3 in, it's going to be painful to go through it. When you were  
4 going to let hundreds go in the future, why -- maybe all  
5 those people out there were only two years from early  
6 retirement, why not go out and say we have budget to spend  
7 this much. We won't spend it. We'll save those PVRs. I  
8 don't have to touch those employees that are here. Maybe  
9 another year, maybe two years, maybe three years. I  
10 understand what you're saying, eventually you may have to go  
11 anyways, but why do them first? Why not get rid of the PVRs?

12 MR. DeBARBA: I think we were looking at it from  
13 the standpoint of we had done an evaluation of the  
14 organization and we were looking at people who were not  
15 contributing much to the overall performance of the  
16 organization. And that those are not the people who are  
17 going to carry us to where we ultimately need to be. So we  
18 were looking at the situation where we had people who were  
19 not contributing that much relative to the rest of the  
20 organization, that strategically it was important that we end  
21 up retaining those people who are going to really be helpful  
22 for meeting our strategic objectives.

23 SPECIAL AGENT GIETL: What I'm hearing you say  
24 is you're now introducing to me, there was a second reason  
25 for the downsizing besides bodies to remove people that

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1 weren't contributing?

2 MR. DeBARBA: It was -- it's a business case.  
3 We were looking at a business case of 250. That was our  
4 target. It didn't mean that you wouldn't have more. All  
5 right. In fact, there were times during the process where  
6 we actually had more than 250.

7 SPECIAL AGENT GIETL: We'll talk about that, but  
8 I want to focus for a minute on what you just said. You said  
9 that well, when I asked you, I said it didn't seem logical  
10 that you get rid of PVRs first and wait until the absolute  
11 last possible moment to get rid of a live body since it comes  
12 out of the budget one way or the other and you said well,  
13 there were people that really weren't contributing that  
14 weren't going to get to the Year 2000.

15 MR. DeBARBA: Right.

16 SPECIAL AGENT GIETL: My question was it sounds  
17 like you just introduced a second reason or purpose of your  
18 downsizing was to remove people that weren't contributing,  
19 they weren't going to be able to carry to the Year 2000. Did  
20 I understand that correctly?

21 MR. DeBARBA: No, I'm just saying that we went  
22 through a matrix process and looked at those people who were  
23 not --

24 SPECIAL AGENT GIETL: Okay, before you --

25 MR. DeBARBA: Adding that value. That wasn't the

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1 purpose. The purpose was the business case.

2 SPECIAL AGENT GIETL: But you could have done the  
3 business case another way. You could have gotten rid of 250  
4 PVRs. You could have gotten rid of early retirements and  
5 maybe never touched a body. Is that true?

6 MR. DeBARBA: No, we did not see that as  
7 possible.

8 SPECIAL AGENT GIETL: Why?

9 MR. DeBARBA: Just the numbers. We were looking  
10 at hundreds of people.

11 SPECIAL AGENT GIETL: But you said you in your  
12 organization removed there was 50 or 52, I think that went  
13 out of Engineering.

14 MR. DeBARBA: Correct.

15 SPECIAL AGENT GIETL: Early retirements and  
16 others and only one PVR. You had other PVRs in your  
17 organization, didn't you?

18 MR. DeBARBA: I don't know how many.

19 SPECIAL AGENT GIETL: Well --

20 MR. DeBARBA: Five, six, ten. I'm not sure what  
21 the number might be.

22 SPECIAL AGENT GIETL: In Bonaca's area you had  
23 about eight or nine alone, correct?

24 MR. DeBARBA: I don't remember specifically.

25 SPECIAL AGENT GIETL: The estimate I got is there

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1 by and large we're looking at as we're not going to fill  
2 those unless there's something very extraordinary.

3 SPECIAL AGENT GIETL: Let me take you back,  
4 because that's not at all what I'm saying. That's not my  
5 assertion at all.

6 MR. DeBARBA: Okay.

7 SPECIAL AGENT GIETL: You have a PVR which is a  
8 budgeted position and my understanding is that that means you  
9 have X number of dollars set aside for each one of those  
10 positions each year, is that correct?

11 MR. DeBARBA: That's correct.

12 SPECIAL AGENT GIETL: You want to save dollars,  
13 for the purpose of strategic planning, less positions, save  
14 money, correct?

15 MR. DeBARBA: Uh-huh.

16 MS. KUHN: That's not the only purpose he has  
17 articulated.

18 SPECIAL AGENT GIETL: Please. You've said that,  
19 correct? Now if you got budgeted positions out there, you're  
20 saving dollars. No matter what's happened to this plan, I'm  
21 talking at the time you did your downsizing in late '95, did  
22 someone look there or even when you make up the rule for this  
23 downsizing, sit there and say what, we can make this  
24 perfectly painless just by getting rid of the PVRs. We can  
25 now save this money that we've set aside, okay? And if next

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1 year we have to make more cuts, we'll hit the real bodies.

2           You came back and said well, there's more to it  
3 that -- and this is the only point I'm trying to get at, that  
4 there was another portion of what you're doing during  
5 downsizing was to remove people that weren't in management's  
6 opinion wasn't contributing to the organization.

7           Is that correct or not?

8           MR. DeBARBA: That is not correct.

9           SPECIAL AGENT GIETL: You were not trying to  
10 remove people that weren't contributing to the organization?

11           MR. DeBARBA: That was not the specific objective  
12 of what we were trying to do.

13           SPECIAL AGENT GIETL: What were your objectives?

14           MR. DeBARBA: Our objective was to meet the  
15 business case.

16           SPECIAL AGENT GIETL: What was the business case?

17           MR. DeBARBA: The business case was reduction of  
18 people, 250 people from the Nuclear organization.

19           SPECIAL AGENT GIETL: Was there a second  
20 objective though that in doing so you are removing the people  
21 that are contributing?

22           MR. DeBARBA: The second objective, if you want  
23 to think of it in those terms was to position ourselves to  
24 be successful in the Year 2000. And so we were looking at  
25 it from the standpoint of 250 as a number that we have right

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1 now, but we've got to be thinking strategically. Remember  
2 strategic is five year thinking. We can't be only thinking  
3 of what we're going to be doing at this moment in time.  
4 We're thinking of fine, we have 250 personnel reduction in  
5 our organization right now. It's only the first wave. We've  
6 got a big chunk in front of us and it's going to be a painful  
7 chunk.

8 If we just look at PVRs as one way of doing it,  
9 we're ducking, we're not addressing an issue. We don't  
10 accomplish anything in that regard.

11 SPECIAL AGENT GIETL: First off, I don't see the  
12 logic in that because you're saving money, but obviously  
13 you're not going to answer that particular question for me,  
14 so let me ask it to you differently.

15 Did you ever in your mind say this is an  
16 opportunity for us to remove people who aren't contributing  
17 to the organization?

18 MR. DeBARBA: You know, the way you've phrased  
19 that is --

20 SPECIAL AGENT GIETL: Is yes or no, your answer?

21 MS. KUHN: You can explain whatever it is you --

22 MR. DeBARBA: Yeah, I don't think it's a simple  
23 yes or no. I think that it's -- just by the fact that you  
24 do matrices show that you are removing people who are the  
25 less valued for -- in your business. So the answer to that

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1 in that sense is yes, you are removing those people who are  
2 less valuable in your organization. But you're not doing  
3 that for that reason. You're doing that because you have a  
4 business imperative. If you did not have the business  
5 imperative you wouldn't be doing that.

6 SPECIAL AGENT GIETL: I grant you that.

7 MR. DeBARBA: If you didn't have the business  
8 imperative, you'd be removing people from the organization  
9 based on improper performance and we would be firing them  
10 because they've done poor work and we're not doing that.

11 MS. KUHN: I think you're both on the --

12 SPECIAL AGENT GIETL: Excuse me, counsel.  
13 Counsel, please. Just stop, please.

14 That may be. I'm not sure that people I've  
15 talked to agree with you and I understand you had the  
16 business imperative to do it, but you just said there was a  
17 momentum that caused this to do this and in the process of  
18 doing it it gives it a lower value.

19 My question, all those questions here related to  
20 one thing. Did you have to go there if you take the bodies  
21 out of the middle, the budgeted positions and that was my  
22 only question to you and I think the answer would be yes, the  
23 way I understand budgeting. You could just as easily have  
24 said I've got five budgeted positions. I'll get rid of those  
25 instead of five bodies. I would have met my goal, but you

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1 would have elected to do it a different way.

2 MR. DeBARBA: And I would say to you, you didn't  
3 meet anything because you didn't save a nickel.

4 SPECIAL AGENT GIETL: Why didn't I save a nickel?

5 MR. DeBARBA: Because all you're doing is  
6 shuffling paper, because the people aren't physically here.  
7 You're not paying them a salary, those PVRs. So the money  
8 isn't there.

9 You have the opportunity for saving those PVR  
10 dollars by not hiring those people and what I'm saying is  
11 it's our intent to not hire those, fill those PVRs. We  
12 expected to gain those savings as well.

13 SPECIAL AGENT GIETL: Okay. At the end of the  
14 year you have, I don't know how many PVRs you might have in  
15 the whole organization. You have 100, starting January 1,  
16 but December 31st, you only fill 10 of them. That's 90 PVRs,  
17 budgeted positions that set up money. Does that money get  
18 thrown back into another account or something that you've  
19 saved it, you've kept your costs down? It shows up on one  
20 of your --

21 MR. DeBARBA: The money is not spent for that  
22 category, but maybe we had to replace the condenser on  
23 Millstone 2 and we found ourselves over. So we're looking  
24 at some balances.

25 SPECIAL AGENT GIETL: Okay, okay. I understand

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1 what you're saying.

2 MS. KUHN: I want to take a brief break. Brief.

3 SPECIAL AGENT GIETL: We'll go off the record for  
4 a minute.

5 (Off the record.)

6 SPECIAL AGENT GIETL: I talked to Mr. Kacich, who  
7 at the time was Director of Nuclear Planning, Licensing and  
8 Budgeting. According to his testimony, he was the developer  
9 of these goals and the whole plan for the most part. He led  
10 the way.

11 Do you know if that's true or not?

12 MR. DeBARBA: He served as a facilitator working  
13 directly for John Opeka.

14 SPECIAL AGENT GIETL: It was his opinion that  
15 PVRs did count toward the goal of an individual, area I,  
16 count PVRs if they could. I'd like to get a comment on that.  
17 You say they did not count?

18 MR. DeBARBA: I did not count. As far as my  
19 recollection, they did not count with the exception of some  
20 cases at Seabrook.

21 SPECIAL AGENT GIETL: Why Seabrook?

22 MR. DeBARBA: Seabrook had gone through, I  
23 believe, two downsizings in the previous two years. And felt  
24 that it would create too much turmoil in our organization.

25 SPECIAL AGENT GIETL: Okay. Bonaca's department,

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1 we've got a copy that was provided to me, I think it's just  
2 a portion of the strategic planning from Kacich to Nuclear  
3 EVP, direct reports and unit directors, dated June 29, 1995.

4 It's only a portion of the report. Look at it.  
5 It shows the strategic business plan, the reductions. Does  
6 that look familiar to you?

7 MR. DeBARBA: Yes, it does.

8 SPECIAL AGENT GIETL: Okay, looking up here at  
9 the top, it shows a functional area, engineering. This was  
10 one that you were responsible for?

11 MR. DeBARBA: Yes, that's correct.

12 SPECIAL AGENT GIETL: I'm looking down here, a  
13 subtotal, you're looking for a reduction in '96 and '97  
14 together, which you were doing, December '95, January '96,  
15 35 positions, well, it says 35. Do you recall 35 being the  
16 number?

17 MR. DeBARBA: Yes, I do.

18 SPECIAL AGENT GIETL: I'm looking at Bonaca's  
19 department, it showed 7. Do you recognize it shows 7? This  
20 was dated in June of '95, so as early as June of '95, someone  
21 had determined that your shop was going to be responsible for  
22 losing 35 bodies in the first wave of downsizing here?

23 MR. DeBARBA: In our strategic plan that we had  
24 done earlier that year, we had identified some reductions  
25 over a period of five years that I believe totaled 90 people

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1 in all of Engineering.

2 SPECIAL AGENT GIETL: Okay.

3 MR. DeBARBA: I think these were pulled right out  
4 of that strategic business plan chart. So the 35 was just  
5 the first two years of that on a path to reduce 90 people out  
6 of Engineering.

7 SPECIAL AGENT GIETL: Okay. And these numbers  
8 that continued to 250 and to the bigger number for the five  
9 years, I guess, these all came from these various individual  
10 directors that are shown here, Bonaca, Risley, Necci, Pitman,  
11 Haseltine and Vargas, as we talked earlier?

12 These are the people that were on your committee,  
13 your directors?

14 MR. DeBARBA: Yes.

15 SPECIAL AGENT GIETL: Okay.

16 MS. KUHN: Are you asking whether these  
17 individuals gave these numbers?

18 SPECIAL AGENT GIETL: No, I just asked him  
19 whether they were on the committee. We'll get to that  
20 question, counsel, unless you want to ask it.

21 MS. KUHN: No, you just said these numbers came  
22 from these individuals blah, blah, blah, blah, blah and your  
23 committee and I didn't know --

24 SPECIAL AGENT GIETL: Numbers came from the  
25 committee and these people were on the committee.

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1 MS. KUHN: Okay.

2 SPECIAL AGENT GIETL: Right.

3 MR. DeBARBA: The numbers 15 and 25.

4 SPECIAL AGENT GIETL: I want to talk about, I  
5 think you touched upon it in your original testimony about  
6 backfilling, the 10 percent backfilling of early retirements  
7 and 25 percent for those that were actually going to be  
8 terminated that you backfill. Do you recall that?

9 MR. DeBARBA: Yes, I do.

10 SPECIAL AGENT GIETL: That was the way it was at  
11 the beginning, I understand, and it changed later down the  
12 road?

13 MR. DeBARBA: That's correct.

14 SPECIAL AGENT GIETL: When did it change?

15 MR. DeBARBA: My recollection is it changed very  
16 late in the process. Exactly when I'm not so sure by date.

17 SPECIAL AGENT GIETL: Information -- I just want  
18 you to tell me whether it's the same information you have,  
19 the same knowledge you have, that at some point in a review  
20 by counsel, whatever, that they advised that you can't really  
21 do that and call it a downsizing, so that's why it was backed  
22 off. Is that your understanding at the time?

23 MR. DeBARBA: No, we received input throughout  
24 the discussions from our human resources and other parts of  
25 the task force that we had set up, similar to other efforts

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1 we had gone through in the company. I think in the course  
2 of those reviews, it was concluded that backfilling didn't  
3 really, wasn't a good process.

4 SPECIAL AGENT GIETL: But do you know if that was  
5 caused by legal advice that you received from wherever?

6 MR. DeBARBA: I'm not sure what that cause was.

7 SPECIAL AGENT GIETL: But it was late in the  
8 process, even though human resources had been involved all  
9 along?

10 MR. DeBARBA: Yeah. All along was, you're  
11 talking a matter of a couple of months.

12 SPECIAL AGENT GIETL: Let me go into downsizing.  
13 Also, this might help also, another document might help you  
14 out, if I can find it.

15 Another document was provided to us. It was the  
16 nuclear retirement termination program. It shows various  
17 dates on here starting with the -- you announced the program  
18 on 7/28/95 and at the very bottom under terminations, there's  
19 an effective date of 1/12/96. Are you familiar with this  
20 particular document?

21 It purports to be a chronological listing of how  
22 it worked on the early outs, early retirements and also on  
23 the terminations?

24 MR. DeBARBA: I do recall that the task force did  
25 put together a calendar and this could be what that was. I

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1 don't recall this specifically.

2 SPECIAL AGENT GIETL: I'll let you use that right  
3 now if you want to look at it, but the question was when did  
4 the downsizing get in the way?

5 When did the task force complete the matrix  
6 process and receive the senior officers' blessing and so  
7 forth? What time frame was that?

8 MR. DeBARBA: To complete the matrix, the one  
9 that had X's on them? Or just the --

10 SPECIAL AGENT GIETL: What I'm looking for is the  
11 point the task force has completed the matrix process, not  
12 the process, but the matrix format they presented to the  
13 senior level officers, saying yeah, this is good, let's go  
14 forth with it. Just before it went forth, when was that? Was  
15 that May, June, July?

16 MR. DeBARBA: I would say it's July.

17 SPECIAL AGENT GIETL: '95?

18 MR. DeBARBA: Yes.

19 SPECIAL AGENT GIETL: Then it went up to all the  
20 parties. When, to the best of your recollection were you  
21 told that backfilling was not going to be allowed?

22 MR. DeBARBA: I think that was in the November-  
23 December time frame.

24 SPECIAL AGENT GIETL: Okay. Knowing, in  
25 Engineering now, I'm going to ask you to focus on -- you had

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1 meetings, I understand, with your directors and/or maybe some  
2 managers versus acting, maybe somebody else, I don't know,  
3 but you had various meetings with your people about here's  
4 the downsizing process and this is what we need to  
5 accomplish?

6 Is that true?

7 MR. DeBARBA: Yes.

8 SPECIAL AGENT GIETL: Did you share with them the  
9 ability that we're going to have to backfill?

10 MR. DeBARBA: That we were?

11 SPECIAL AGENT GIETL: Yes.

12 MR. DeBARBA: Going to backfill or we were not?

13 SPECIAL AGENT GIETL: We have the ability to  
14 backfill?

15 MR. DeBARBA: I think that that was part of the  
16 task force information, I believe. I could be wrong in that.  
17 But I thought that was widely known.

18 SPECIAL AGENT GIETL: I understand under  
19 terminations, excuse me, I mean under early retirements, I  
20 understand the rationale behind backfilling, as it was  
21 explained to me, if I had SROs walk out, I'm likely to need  
22 two in there.

23 MR. DeBARBA: Right.

24 SPECIAL AGENT GIETL: On terminations, what was  
25 the rationale for having to backfill 25 percent?

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1 MR. DeBARBA: Rationale for it?

2 SPECIAL AGENT GIETL: Uh-huh.

3 MR. DeBARBA: I don't recall what the rationale  
4 was. I know we had a percentage. I think it was 25 percent.

5 SPECIAL AGENT GIETL: In your mind then, why did  
6 you have backfilling? Why did you feel you could have  
7 backfilling?

8 MR. DeBARBA: I know that was the percentage,  
9 whether that came up from a task force or not, that they said  
10 10 percent backfill on early retirees and 25 percent backfill  
11 on the people subject to the work force reduction.

12 SPECIAL AGENT GIETL: Thinking about the  
13 terminations, not the early retirements. I understand that  
14 rationale. As I explained, I understand that.

15 To you, what was the rationale for having  
16 backfilling on the terminations?

17 MR. DeBARBA: I'm not sure I ever really thought  
18 about that from that standpoint.

19 SPECIAL AGENT GIETL: Think about it now, what  
20 would be a rationale for that?

21 MS. KUHN: He just testified he doesn't know.

22 SPECIAL AGENT GIETL: Counsel, please don't  
23 interrupt. I hear what he says and he's not answering my  
24 question.

25 MS. KUHN: He is answering your question.

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1 SPECIAL AGENT GIETL: He's not and you're  
2 interrupting.

3 MS. KUHN: He didn't know what the rationale was.

4 SPECIAL AGENT GIETL: You're interrupting and you  
5 need to stop this.

6 MS. KUHN: I'm not interrupting. I am pointing  
7 out the fact that the --

8 SPECIAL AGENT GIETL: Point it out to your  
9 client. The question is you really didn't think about it.  
10 I'm asking you to think about it now. Why could you backfill  
11 on downsizing?

12 MR. DeBARBA: I think that it was that you might  
13 find an area that ended up having more reductions than they  
14 could match their work and you used the example of an  
15 operations group. You might find that in one particular area  
16 if you had more of a reduction because when you looked at the  
17 matrices that you found that maybe a disproportionate number  
18 of the lower performers were in a particular work group than  
19 in another area. And so that it might be incumbent upon you  
20 to be able to fill in behind some of those areas so you don't  
21 have a particular group that becomes too weak and operations  
22 is a clear one. If you have six people that are required to  
23 stand and watch and you have a group of eight and you find  
24 that three, you know, fall very low on the matrix that you  
25 would want to have some ability to fill them. I think it was

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1 that kind of rationale that was fairly general.

2 I don't remember any real specific discussions  
3 about this clear rationale for it, other than I think there  
4 was some discussion probably from the task force that as they  
5 talked to people in the organization felt that we needed to  
6 have the ability to fill in behind, if we had some particular  
7 aspects or areas of the organization that were weakened by  
8 this. So I think it was to address a weakened area.

9 SPECIAL AGENT GIETL: It seems to me that might  
10 have been handled on the front end when your committee says  
11 here's how we can operate our plant safely at this point in  
12 time. We can reduce and your group came up with as we show  
13 here 35 for the first couple of years and 90 overall. So  
14 knowing that ahead of time, are you telling me then you might  
15 want to take more out than that 35?

16 MR. DeBARBA: I don't think we necessarily wanted  
17 to constrain ourselves to 35.

18 SPECIAL AGENT GIETL: Weren't you worrying about  
19 doing the job safely? My understanding was the committee  
20 came up with it and said here's how we feel we can reduce at  
21 this point and still do things, complete our job and do it  
22 safely.

23 MR. DeBARBA: Right, but I don't think we needed  
24 to artificially constrain ourselves to 35. I think we felt  
25 that ultimately we were looking at a reduction of --

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1           SPECIAL AGENT GIETL: See, you're now coming  
2 across, it sounds to me, and this is still when the backfill  
3 was in, the 25 percent refill, is that you're saying if we  
4 take too many out, that's okay, we'll replace them. It  
5 sounds like you left the 250 downsizing and if you've gone  
6 and said I'm getting rid of my poor performers, I'm going to  
7 bring some people in if that's the case. If that true or  
8 not?

9           MR. DeBARBA: Could you rephrase the question,  
10 you lost me there.

11           SPECIAL AGENT GIETL: Sure. What I've heard you  
12 tell me, this gives you an opportunity to tell me that I'm  
13 hearing it right, is that you've crossed the line from I've  
14 got to reduce 250 positions, we went through this whole  
15 process where each department, each committee came up with  
16 a number, that's how we got 250. And your department, in  
17 Engineering, there was only 35 that you're going to have to  
18 go down, but the purpose of refills was well, we might take  
19 too many out of one place. How could that happen if in the  
20 beginning you've already planned how many you could afford  
21 to lose? Are you saying then I might take out more than I  
22 need to?

23           MR. DeBARBA: No, our numbers weren't that  
24 precise, saying exactly how many we could afford to lose.  
25 I think "the afford to lose" was a judgment call on the part

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1 of the managers, each group as they were looking at their  
2 workload and matching it to the needs that they had. When  
3 they put an X on there, they were looking at that,  
4 inherently, to say can I accomplish my business objectives  
5 with a group of resources that I have here with this person  
6 gone.

7 SPECIAL AGENT GIETL: Bonaca, let's focus on  
8 Bonaca first. It showed here looking at a goal of 7. Okay?  
9 How many early retirements did he have in his department, do  
10 you now?

11 MR. DeBARBA: I don't recall specifically. I  
12 think overall we had about 20 in Engineering.

13 SPECIAL AGENT GIETL: He had 8 in his particular  
14 department.

15 MR. DeBARBA: Eight?

16 SPECIAL AGENT GIETL: Yeah. Why were there  
17 further layoffs in his department, if early retirements met  
18 his goal by more than one?

19 MR. DeBARBA: Well, he had people that were rated  
20 low in his organization?

21 SPECIAL AGENT GIETL: Why?

22 MR. DeBARBA: Because the managers rated them  
23 low.

24 SPECIAL AGENT GIETL: Why was [REDACTED] low? *xc*

25 MR. DeBARBA: The manager rated him low.

1 SPECIAL AGENT GIETL: Well, low-low or just  
2 relative low to the other performers in this group?

3 MR. DeBARBA: I don't know the specifics of that.

4 SPECIAL AGENT GIETL: In your testimony, you  
5 earlier said you've got to probe to look to make sure the  
6 lowest people were going.

7 MR. DeBARBA: Right.

8 SPECIAL AGENT GIETL: That's what you told the  
9 task force. I'm wondering how far you probed to find out why  
10 is [REDACTED]'s low?

11 MR. DeBARBA: I didn't probe that far.

12 SPECIAL AGENT GIETL: Were all the people in that  
13 group that [REDACTED] belonged to senior engineers?

14 MR. DeBARBA: I think -- I can't remember how  
15 they put together the matrix, whether they did it by job  
16 class, senior engineer, engineer, associate engineer or they  
17 included all engineers.

18 MS. KUHN: If you want to ask him about [REDACTED]'s  
19 matrix, why don't you show it to him?

20 SPECIAL AGENT GIETL: Let's talk about matrices.  
21 As long as counsel has brought it up, it's a good question.  
22 Whose decision was it to only retain the matrices of those  
23 that were X'd and all the rest to be destroyed?

24 MR. DeBARBA: I'm not sure.

25 SPECIAL AGENT GIETL: When was that decided?

1 MR. DeBARBA: I don't recall that decision being  
2 made with any of the groups that I was part of.

3 SPECIAL AGENT GIETL: Where there were no X's  
4 when the process was done and you had no X's on these  
5 particular matrices, did you destroy them?

6 MR. DeBARBA: I don't think so. I think there  
7 was a process to collect the paperwork.

8 SPECIAL AGENT GIETL: Who collected it?

9 MR. DeBARBA: I believe it went to the task  
10 force. The task force either collected it or it went to HR  
11 or --

12 SPECIAL AGENT GIETL: The task force was working  
13 at your behest?

14 MR. DeBARBA: Right, but I think they had a  
15 process in line and I think that the paperwork went to HR.

16 SPECIAL AGENT GIETL: You never participated in  
17 the decision to destroy the rest of the matrices?

18 MR. DeBARBA: It wasn't something that I thought  
19 about and said here's what we need to do. I think there was  
20 a process outlined as to how we would handle the paperwork  
21 and whether it came out of the task force or not, I think it  
22 was more cut and dry. Just as you had that matrix of all the  
23 steps that would have to be accomplished, it was like at the  
24 end of this, return all paperwork to HR.

25 SPECIAL AGENT GIETL: But you're part of the

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1 senior -- as I understand, you were part of the senior  
2 officers that got together, that set up the task force.

3 MR. DeBARBA: Right.

4 SPECIAL AGENT GIETL: You're the people that  
5 participated in the strategic planning, here's how we're  
6 going to do it. At some point you must have concurred along  
7 with what these people were doing?

8 MS. KUHN: He said he told you he doesn't know  
9 who did it.

10 SPECIAL AGENT GIETL: Counsel, I'm going to ask  
11 you not to interrupt again or I'm going to have to ask you  
12 to exit the interview.

13 Mr. DeBarba, I'm going to inform you of that.  
14 If counsel continues to interrupt, I can't ask you my  
15 questions. She's here to advise you, not me, not to make  
16 objections. I want you to understand that these are the  
17 rules that we normally operate by and I do have questions for  
18 you and I need for you to answer them. If you want to confer  
19 with her, feel free. She can provide whatever information  
20 she wants to, but this dialogue across the table is not going  
21 to continue. That's not the way we do it.

22 You're here at my request --

23 MS. KUHN: This interview will not continue  
24 without my being present.

25 SPECIAL AGENT GIETL: You're here at my request

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1 and you're free to be here. I just want you to understand  
2 how we operate from the NRC standpoint.

3 MR. DeBARBA: I think we're trying to be  
4 cooperative. We're also trying to make sure that the record  
5 is accurate.

6 SPECIAL AGENT GIETL: You ask me if you have a  
7 problem. I understand very well what you've been telling me.  
8 I don't need enhancements, interruptions and counsel knows  
9 this. So I'd like to continue if you would, but I want you  
10 to understand that's how we do it. If she has a problem, she  
11 should consult with you.

12 MS. KUHN: We're prepared to continue.

13 SPECIAL AGENT GIETL: Is that okay, Mr. DeBarba?

14 MR. DeBARBA: Yes.

15 SPECIAL AGENT GIETL: Okay, do you know then did  
16 you at any time concur, to your knowledge, did you concur  
17 with the destruction of other records related to the  
18 downsizing?

19 MR. DeBARBA: I'm sure I did.

20 SPECIAL AGENT GIETL: Do you have any idea why  
21 that decision was made?

22 MR. DeBARBA: We got a lot of in-process records  
23 on things that you don't -- I assume it was we just don't  
24 want to have extraneous material left around.

25 SPECIAL AGENT GIETL: Talk about [REDACTED] for

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7c

1 a moment. I have here a copy of the matrix because that's  
2 what Northeast has provided that shows Mr. [REDACTED] with the

3 [REDACTED]

4 MR. DeBARBA: Right.

5 SPECIAL AGENT GIETL: Under Mr. Kupinski,  
6 however, who is the manager, there were three groups. In  
7 another area, I believe, it's Water Chemistry, there were  
8 three employees with considerably less scores than Mr.

9 [REDACTED]

10 Why was Mr. [REDACTED] selected, do you know?

11 MR. DeBARBA: Uh-huh. Uh-huh. Yeah, I thought  
12 you said we don't have the matrices.

13 SPECIAL AGENT GIETL: I have the matrix for Mr.  
14 [REDACTED] where there's an X. The matrices at Northeast  
15 retained were if a person was.

16 MR. DeBARBA: Could you show me?

17 SPECIAL AGENT GIETL: I can't because the  
18 question I'm asking you the records were destroyed. In other  
19 words, if I show you Mr. [REDACTED]'s matrix here, you see there  
20 that he has the [REDACTED] in [REDACTED]'s group. Is  
21 that correct?

22 MR. DeBARBA: Yeah, by quite a bit.

23 SPECIAL AGENT GIETL: Okay, now there are no  
24 other records to compare this to any other group under Mr.  
25 Kupinski, let alone any other group under Mr. Bonaca.

*Re h...  
7c*

*D.T. ...*

1 MR. DeBARBA: Okay.

2 SPECIAL AGENT GIETL: The testimony I have from  
3 Mr. Kupinski is in the Water Chemistry Group, there were  
4 [REDACTED] people with considerably less scores than [REDACTED]  
5 So do you know why Mr. [REDACTED] was selected?

6 MR. DeBARBA: I don't know that to be the fact  
7 that there were three people in Water Chemistry with lower  
8 scores.

9 SPECIAL AGENT GIETL: Did [REDACTED] have a  
10 lower score?

11 MR. DeBARBA: I don't know.

12 SPECIAL AGENT GIETL: You don't recall?

13 MR. DeBARBA: I don't recall.

14 SPECIAL AGENT GIETL: Okay. Would that have been  
15 the right choice for Mr. Kupinski to have made of Mr. [REDACTED]  
16 if in fact, he was not the lowest score in the three groups  
17 under him?

18 MR. DeBARBA: Well, just to let you know what my  
19 involvement was so that it's clear, the training program that  
20 the managers went through and all the direction instructions  
21 that we had for people was for them to look at their overall  
22 work group and look at it from the rating of the people in  
23 the last four groups and ultimately come up with a judgment  
24 as to where the contribution was less from the people, so the  
25 people had to make a value ladened judgment as to who in the

1 organization was contributing less.

2 Now in that case, Mr. Kupinski made the judgment  
3 that Mr. [REDACTED] was not making that contribution. His 7c  
4 overall work area that presumably, if that was the only one  
5 and I'm not sure that that was the case, if he was the only  
6 one which I think is what you said, that he was the one who  
7 was contributing the least overall.

8 SPECIAL AGENT GIETL: When the matrices were  
9 initially submitted to you after having been prepared by the  
10 managers and Director and I have found that the supervisors  
11 had input to the managers, they were sent to you, collected  
12 by Mr. DeLoach and brought to you.

13 Do you recall that?

14 MR. DeBARBA: Yes.

15 SPECIAL AGENT GIETL: Around October 13th of '95?

16 MR. DeBARBA: I don't remember specifically, but  
17 it was in that general time frame.

18 SPECIAL AGENT GIETL: I don't know if the  
19 schedule has it in there or not. It just shows it was  
20 supposed to be done by 10/13 and the review started on 10/13.  
21 I don't know if that helps you at all.

22 MR. DeBARBA: Okay.

23 SPECIAL AGENT GIETL: How many X's were on the  
24 matrices submitted by Bonaca's department?

25 MR. DeBARBA: I think there were none.

1 SPECIAL AGENT GIETL: Okay, did you know ahead  
2 of time there was going to be none?

3 MR. DeBARBA: I recollect some discussions with  
4 either Mario or John Guerci where they had questions from  
5 their organization as to the placing of X's on the matrix.  
6 If I recall, it was more from John Guerci than it was from  
7 Mario.

8 SPECIAL AGENT GIETL: I've talked to both  
9 individuals. Did you tell Bonaca and/or Guerci or DeLoach  
10 that there needed to be X's in Bonaca's department?

11 MR. DeBARBA: I think I need to back up a little  
12 bit from that question. The real question that was on the  
13 minds of Mr. Guerci and Bonaca, the best of my recollection  
14 was that they were having some difficulty in the scoring  
15 system that was being used, specifically, I recall Mr. Guerci  
16 saying that he viewed the rating system that Mr. Kupinski had  
17 used to being, he was more generous in some of the areas than  
18 other areas and it caused some confusion and that while they  
19 had some discussion about the overall rating system they were  
20 a little bit unsure as to given all of them, what would be  
21 the next step in how they would determine how the X's would  
22 be applied.

23 So I think that that was the reason, as I  
24 understood it, why they had not placed X's on individual  
25 categories.

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1                   SPECIAL AGENT GIETL: Did Guerci or Bonaca, you  
2 think it was Guerci, did they tell you they wanted to place  
3 X's?

4                   MR. DeBARBA: I think that they -- I don't recall  
5 any expression of desire. I think it was more an  
6 understanding of the process, it was a process question.

7                   SPECIAL AGENT GIETL: Did Bonaca tell you that  
8 our goal was 7. We had 8 early retirements. We can't afford  
9 to have any more from this department to go?

10                  MR. DeBARBA: I don't recall that.

11                  SPECIAL AGENT GIETL: Did you, as a follow up to  
12 that conversation, to go back to that question because you  
13 wanted to back up and I still have that question out there,  
14 did you tell either Bonaca and/or Guerci that there needed  
15 to be X's in that department?

16                  MR. DeBARBA: I said that to all of the directors  
17 that my expectation is that everybody participated in this  
18 process and that I didn't see any one group of being, having  
19 so many star players that they would not contribute in any  
20 way towards the overall result that we were looking at in  
21 positioning ourself to the future.

22                  SPECIAL AGENT GIETL: Did you tell either of  
23 those gentlemen that the other departments have kicked in  
24 their six or eight people, that you need to kick in six or  
25 eight people?

1 MR. DeBARBA: I never talked about numbers.

2 SPECIAL AGENT GIETL: Did you mention names?

3 MR. DeBARBA: No.

4 SPECIAL AGENT GIETL: Mr. Bonaca recalled  
5 specifically providing him with eight names. Mr. DeLoach  
6 recalls you providing him with six names, six numbers. He  
7 wasn't sure about names.

8 Let me ask you for your comment on that.

9 MR. DeBARBA: Six numbers or names? I'm not  
10 sure. I don't recall. I don't recall having provided them,  
11 names or numbers.

12 SPECIAL AGENT GIETL: After the initial matrices  
13 came in without anything on it, any X's on it from Bonaca's  
14 department, did you then direct that department to go back  
15 and to find some X's for some people?

16 MR. DeBARBA: I said we had a discussion about  
17 the process.

18 SPECIAL AGENT GIETL: Was this Bonaca or Guerci?

19 MR. DeBARBA: I don't recall if it was Bonaca or  
20 Guerci or both.

21 SPECIAL AGENT GIETL: Okay.

22 MR. DeBARBA: But I recall having some  
23 discussion. At the time, I think John, he was acting  
24 director. He was a little bit green, a little junior in  
25 terms of acting in the director capacity. Mario was kind of

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1 bouncing in and out so he was only getting a part of the  
2 picture and I think John was a little bit unsure of himself  
3 of how to coordinate with Dick Schmidt and Matt Kupinski and  
4 Don Dube and that overall our discussion, my discussion was  
5 that my expectation was that every group would contribute and  
6 that we ought to have the questions about levelizing scores  
7 and how -- if you have a 4 in communication, what does that  
8 mean?

9                   How people talk about what a 4 in communication  
10 means so that we end up getting on an equal rating system.  
11 But that overall, my familiarity with the various groups was  
12 that we had an opportunity in the Nuclear Engineering group  
13 to have a smaller organization.

14                   SPECIAL AGENT GIETL: Did I hear you right that  
15 you did go back and say to either Guerci or Bonaca that you  
16 need to have reduction in each of the groups or the four  
17 groups under Bonaca's department?

18                   MR. DeBARBA: I said I expected there would be  
19 reductions.

20                   SPECIAL AGENT GIETL: You didn't mention any  
21 names at that time?

22                   MR. DeBARBA: I don't recall any names.

23                   SPECIAL AGENT GIETL: The testimony I have is  
24 that you did provide names. Okay? After you did that, did  
25 you have a subsequent conversation with Bonaca as to which

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1 parties were going to -- with Bonaca or Guerci, did you have  
2 subsequent conversation with them, with the parties that were  
3 identified for X's or who might possibly be X'd?

4 MR. DeBARBA: I think I had, I recall having  
5 discussions with a number of my directors relative to people  
6 who were selected for X's to help me understand their  
7 performance level. A lot of the people I didn't know at all.

8 SPECIAL AGENT GIETL: Did you have those  
9 discussions with Bonaca?

10 I'm asking you to recall if you had specific  
11 discussions with Bonaca and Guerci about the people.

12 MR. DeBARBA: Bonaca and/or Guerci, I believe I  
13 did.

14 SPECIAL AGENT GIETL: At this point I have that  
15 you initially identified eight people who came back later and  
16 said look, we can't do this and there were discussions back  
17 and forth and he ended up with four coming out of Bonaca's  
18 department. Does this sound plausible to you?

19 MR. DeBARBA: It does not sound plausible that  
20 I provided names because I don't know a lot of the people so  
21 it would be hard for me to imagine that I even attempted to  
22 do that.

23 SPECIAL AGENT GIETL: You had the matrices in  
24 front of you though.

25 MR. DeBARBA: But I didn't know the people.

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1 SPECIAL AGENT GIETL: You had the matrices.  
2 Could you have picked up the thing and said here's the lowest  
3 scored guy. How come he's still there?

4 MR. DeBARBA: Right, right. What I remember is  
5 I did set an expectation that I did expect to see reductions  
6 in each of the groupies.

7 SPECIAL AGENT GIETL: You conveyed that to either  
8 Bonaca or Guerci?

9 MR. DeBARBA: Right.

10 SPECIAL AGENT GIETL: But you don't recall if you  
11 said any names at all?

12 MR. DeBARBA: I don't recall any names.

13 SPECIAL AGENT GIETL: You don't recall mentioning  
14 [redacted] or [redacted] or [redacted]

15 MR. DeBARBA: No.

16 SPECIAL AGENT GIETL: [redacted]  
17 [redacted] none of those names? [redacted]

18 MR. DeBARBA: No.

19 SPECIAL AGENT GIETL: Okay. Did you discussion  
20 with Bonaca regarding [redacted] matrix?

21 MR. DeBARBA: Yes, I do recall a discussion about  
22 that.

23 SPECIAL AGENT GIETL: Why don't you relate to me  
24 what the discussion was?

25 MR. DeBARBA: It seems to me as a discussion and

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*EX 7C*

*Part 7*

1 I can't remember if it was Mario specifically or if it were  
2 a group of directors. We were talking about rating of  
3 individual competencies and we talked about the rating of an  
4 individual competency and I recall a discussion relative to  
5 [REDACTED] on some of the competencies.

6 SPECIAL AGENT GIETL: Do you recall what they  
7 were?

8 MR. DeBARBA: I think it was things like  
9 communication.

10 SPECIAL AGENT GIETL: Did this cause a change in  
11 [REDACTED] scores? Your raising the issue?

12 MR. DeBARBA: I'm not sure. I'm not sure. I  
13 think that this was more in terms of helping benchmark people  
14 and I think it was prompted by questions from, in this case,  
15 from Kupinski or Guerici as to how do you rate somebody like  
16 [REDACTED] in areas of communication because they say on the one  
17 standpoint, we're having a very difficult time communicating  
18 with [REDACTED] He's almost refusing to communicate with us.  
19 In fact, he'll tell us that he doesn't want to talk to us.  
20 But on the other hand he's engaged in protected activities  
21 and working with the NRC and doing some things there. So  
22 how do we rate somebody given that kind of situation? I  
23 think they were asking some questions about how do you deal  
24 with that particular situation.

25 SPECIAL AGENT GIETL: In your first testimony,

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EX 7C

Part 7C

1 when you get to the task force, you said the earlier matrix  
2 came up and [REDACTED] had an X on it. We talked today that  
3 when Bonaca submitted them, there were no X's out of his  
4 department. How do we reconcile that?

5 MR. DeBARBA; I think that they went back after  
6 having some guidance on the process and the expectation is  
7 yeah, there certainly are some opportunities to have X's in  
8 the Nuclear Engineering Department and the expectation is  
9 that all the groups look very hard at their group to see  
10 whether or not they can be productive without certain people  
11 in their groups and then come back with some and they came  
12 back with identified X's. That's my recollection.

13 SPECIAL AGENT GIETL: Was [REDACTED] -- did you have  
14 the X removed from [REDACTED] name?

15 MR. DeBARBA: I asked that it be reviewed and  
16 ultimately it was removed.

17 SPECIAL AGENT GIETL: Removed. Was that before  
18 you finished with the matrix and sent them forward?

19 MR. DeBARBA: Yes.

20 SPECIAL AGENT GIETL: I also note I have here the  
21 added assurance list. I have some questions about it, but  
22 I notice [REDACTED] name was not on the added assurance list,  
23 you know that was sent.

24 MR. DeBARBA: Right.

25 SPECIAL AGENT GIETL: And that's because there

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Page 11/11  
7C

1 was no X against [REDACTED] name at the time so there would be  
2 no reason to send it, correct?

3 MR. DeBARBA: That's correct.

4 SPECIAL AGENT GIETL: Interviewed John Opeka a  
5 couple of weeks ago and he said that name was X'd. It was  
6 up on the board at his level which is above yours. How do  
7 we reconcile that?

8 MR. DeBARBA: I think there were discussions of  
9 all the people who were on the initial matrix list before it  
10 had gone for review.

11 SPECIAL AGENT GIETL: Okay. In other words,  
12 Opeka concurred before you sent it over?

13 MR. DeBARBA: No, this was before Opeka's  
14 concurrence.

15 SPECIAL AGENT GIETL: So the X was off the list  
16 before you sent it to Opeka?

17 MR. DeBARBA: That's correct.

18 SPECIAL AGENT GIETL: Why would Opeka see an X  
19 on there still?

20 MR. DeBARBA: I think there were discussions that  
21 were in process discussions.

22 SPECIAL AGENT GIETL: Okay. Going back again to  
23 Bonaca's department, I've talked to each of the managers.  
24 Of all the people I've talked to, only one person wanted to  
25 give up one of those employees and that was [REDACTED]

Page 70

1 The managers did not want to give up anybody. Bonaca did not  
2 want to give up anybody. Did you know that?

3 MR. DeBARBA: No.

4 SPECIAL AGENT GIETL: Well, in fact, he submitted  
5 the matrices without any X's. Would that indicate that he  
6 did not want to give up any more bodies?

7 MR. DeBARBA: No.

8 SPECIAL AGENT GIETL: What would that indicate  
9 to you?

10 MR. DeBARBA: It indicated to me that they had  
11 questions on the process.

12 SPECIAL AGENT GIETL: I don't think any of them  
13 had questions when I talked to them. Did you ask them if  
14 they had questions?

15 MR. DeBARBA: They told me they had questions.

16 SPECIAL AGENT GIETL: Who was that?

17 MR. DeBARBA: Guerci. Said that they had gotten  
18 together with the managers and that they had real differences  
19 of opinion on the rating process. Mr. Kupinski had rated his  
20 people uniformly highly and that they were really struggling  
21 with the overall process, unlike all the other directors,  
22 they had all gone through their process and they didn't have  
23 those kind of questions. They had gone through it and very  
24 succinctly. So I assumed that it was because Guerci was in  
25 an acting position and Bonaca was in and out and not spending

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1 as much time with John on that and I needed to intercede and  
2 help them with the process.

3 MS. KUHN: Can we go off the record for a second?

4 SPECIAL AGENT GIETL: Yes, let's go off the  
5 record.

6 (Off the record.)

7 SPECIAL AGENT GIETL: I think when we left off  
8 I was asking about back in Bonaca's group. I have to tell  
9 you, what's confusing to me or what causes questions is that  
10 you have in Bonaca's department you have a full 7, understand  
11 your constraint thing, a full 7. They had 8 early  
12 retirements and they also had about the same number of PVRs,  
13 that's what he provided me. So we're down to about 16 people  
14 and the managers' opinion, the directors' opinion, see when  
15 we started back in the beginning of your committee, I thought  
16 this was a bottom up, what we can do without, that's how you  
17 got the 250, okay?

18 MR. DeBARBA: Right.

19 SPECIAL AGENT GIETL: Given that as a premise,  
20 then they come along and the managers who worked on getting  
21 up to these numbers said hey, I really don't think I can do  
22 more. I told you once before that's how you get to these  
23 numbers. That's what we can do without and so they come in  
24 and you say well, we've got to have more is basically what  
25 happened when they came in with the matrices and now you say

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1 to the groups you've got to give some people in is the way  
2 I understand how you said that to me. Is that true?

3 MR. DeBARBA: I said the expectation is that  
4 everybody is going to make a contribution, but --

5 SPECIAL AGENT GIETL: You didn't tell them to  
6 kick it in?

7 MR. DeBARBA: No. My expectation is that they  
8 would also tell me if they feel they cannot meet their work  
9 objectives and I never heard that.

10 SPECIAL AGENT GIETL: Bonaca said he told you  
11 that.

12 MR. DeBARBA: I never heard that. He cannot make  
13 his work objectives?

14 SPECIAL AGENT GIETL: The managers told me that  
15 too.

16 MR. DeBARBA: I don't believe it.

17 SPECIAL AGENT GIETL: I can only share with you  
18 what they tell me. And the reason I'm doing that is I guess  
19 I invite your comment because that's your department and this  
20 is a bottom up. They came up with numbers. Why would they  
21 tell you again they can't meet their objectives? Did they  
22 do that initially when they came up with the original  
23 contributions?

24 MR. DeBARBA: They signed the matrix. Their name  
25 appears on the matrix. They went through the training. We

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1 had a lot of discussions about the organization.

2 SPECIAL AGENT GIETL: Here's what I'm getting at.  
3 I don't know if this is the case or not with you and this is  
4 why I want you to think about your answer. This was being  
5 done back in October, October 13th. This is back when you  
6 were still, your own testimony, still under the impression  
7 we could do refills, you know 25 percent of the terminations  
8 and 10 percent of the others, of retirees.

9 MR. DeBARBA: Uh-huh.

10 SPECIAL AGENT GIETL: So when you're saying we  
11 can go in there, are you still of the idea that we can let  
12 a few more go and refill as necessary?

13 MR. DeBARBA: That's what I'm looking for.

14 SPECIAL AGENT GIETL: Did that make you want to  
15 go beyond that number?

16 MR. DeBARBA: I don't think that was the driver.  
17 I think it was looking at the work in each of those groups  
18 and where those groups were heading. Now I'd say I have an  
19 advantage over some of the people of having a more strategic  
20 look at where we're going with Engineering, particularly with  
21 Nuclear Engineering. At that very time, in re-engineering  
22 space, we had kicked off or were just about to kick off a re-  
23 engineering look, a problem solving team at Nuclear Fuel.

24 What we knew, for instance, is that we had a  
25 growth in Connecticut under John Guerci who was providing

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1 fuel work for four units. We had Yankee Atomic up in  
2 Westboro, Mass. who was providing that service for Maine  
3 Yankee, Vermont Yankee and Seabrook and that we were looking  
4 at a way of gaining some synergy because those groups didn't  
5 direct overlap.

6 SPECIAL AGENT GIETL: Right.

7 MR. DeBARBA: So we knew and I knew in the back  
8 of my mind, at least we had one option and that was combining  
9 possibly Bonaca's function in some large way the Yankee  
10 function in which case there could be significant reductions  
11 far beyond that.

12 So I'm just saying that strategically, there were  
13 some other things in play that caused me to believe that we  
14 had opportunities to have much larger reductions than a one  
15 person there, two persons there.

16 SPECIAL AGENT GIETL: Okay, and let me go back  
17 for a moment when I said the managers and Bonaca didn't feel  
18 they could do their job -- do you remember me asking you that  
19 question?

20 MR. DeBARBA: Right.

21 SPECIAL AGENT GIETL: That was at the time they  
22 were putting their X's down. Okay, they thought the duties  
23 and functions they had at that time which was October of  
24 1995, so the question is did Bonaca see some of these changes  
25 that you were talking about coming down the road for his area

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1 like in Nuclear Engineering?

2 MR. DeBARBA: Yeah, right. No, I can't speculate  
3 on what was in Bonaca's mind.

4 SPECIAL AGENT GIETL: It's not a speculation.  
5 Did you tell Bonaca about some of these changes you saw  
6 coming in his department?

7 MR. DeBARBA: He knew we were talking about in  
8 Nuclear Fuel. He was directly involved with the re-  
9 engineering. He knew that there were other opportunities to  
10 do things. I guess I'd go back to the bottom line. The  
11 bottom line is people signed the forms. They put X's on the  
12 forms. If they didn't believe that that was the right thing  
13 to do they should not have done that.

14 SPECIAL AGENT GIETL: Well, you know --

15 MR. DeBARBA: I would not have signed it, just  
16 as I did not sign where it had [REDACTED] on there. I did not  
17 sign that. xc

18 SPECIAL AGENT GIETL: When the word comes down  
19 from above, which they all felt, that Eric wanted some people  
20 to go is the term, that this would be the person that if someone  
21 had to go, I mean, they felt comfortable, they made the right  
22 selection, but they wouldn't have made a selection had not  
23 your office intervened and said some people have to go. That  
24 was the feeling they had. I'm sharing that with you, okay?

25 And so when you said -- I'm sharing that with

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*EX 7c*

1 you. I don't know if there's any response or answer that you  
2 can give me. It's not really a question. But that's what  
3 I heard from people and I want to share that. If you want  
4 to make some comment too --

5 MR. DeBARBA: I can only tell you what I know and  
6 what I know is I received the matrices that were signed and  
7 my best recollection, I didn't hear any objection to the  
8 reductions from the standpoint we can't any work  
9 accomplished.

10 SPECIAL AGENT GIETL: But you received them with  
11 no X's initially, correct?

12 MR. DeBARBA: Because there were process  
13 questions is my understanding.

14 SPECIAL AGENT GIETL: So you could have  
15 misunderstood that?

16 MR. DeBARBA: Yeah, it was pretty clear to me  
17 that when I went to the meeting there were real discussion  
18 issues in John Guerci's mind relative to how Matt had rated  
19 his people and how other people in the group and he felt in  
20 a quandary relative to how to deal with that because Matt was  
21 a peer of his.

22 That was my whole perspective on why it showed  
23 up without X's, because John was not in a position of power  
24 to be able to influence the other managers and say okay,  
25 guys, here's how we're going to do business. Mario was often

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1 off site. He really wasn't engaged in the whole thing and  
2 that I needed to intercede to help them come up with a  
3 decision.

4 SPECIAL AGENT GIETL: The managers informed me  
5 that Bonaca was at all the meetings. Bonaca said he was at  
6 all he knew about and the managers said yeah, he was there  
7 when they discussed this, that there was an agreement that  
8 they hadn't met their quota and they didn't feel they could  
9 give more people up. That's why they were submitted. I'm  
10 only sharing with you what they told me. I'm glad to hear  
11 what you're telling me is that they told you something  
12 different. You're saying "we didn't know how to fill them  
13 out" or "we didn't know" --

14 MR. DeBARBA: They had questions on process is  
15 the best of my understanding and Bonaca was full-time on re-  
16 engineering. So that although he may have been in and out  
17 of meetings, that his focus was really re-engineering over  
18 that period of time and I think that he may not have been in  
19 a lot of the day to day discussions that were going on.

20 SPECIAL AGENT GIETL: You ended up with, I forget  
21 what, 50,51, 52 total people reduction in Engineering and  
22 your goal was 35.

23 MR. DeBARBA: Uh-huh.

24 SPECIAL AGENT GIETL: And that decision on those  
25 people was made sometime before December, the best I can

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1 determine. Do you remember?

2 MR. DeBARBA: Yeah, that's right.

3 SPECIAL AGENT GIETL: When you found that there  
4 would be no more refills, they could not refill behind  
5 people, did you want to put some of those people back, take  
6 some of the X's off?

7 MR. DeBARBA: I can't recall the specific time  
8 because we did have people who were removed from the matrix.

9 SPECIAL AGENT GIETL: Okay, well think about it  
10 a moment. You had them there. You knew that at some point  
11 in December we're going forward, the decision has been made,  
12 maybe put on or put off, but we're here and we've got this  
13 number. And you hear there's no refills. Did it occur to  
14 you at that time -- well, can I get some of these people back  
15 off, we're producing too much or for whatever reason. I  
16 don't want to lose this many?

17 MR. DeBARBA: I don't remember the exact  
18 sequence, but I know we did end up looking at having some  
19 people removed from the matrix and we did remove them. I  
20 think it was about in the same time frame that we ended up  
21 zeroing in on this refill, so we did end up pulling 10 people  
22 off the matrix.

23 SPECIAL AGENT GIETL: So you did have more than  
24 50 or 52?

25 MR. DeBARBA: Yeah, I think we were up around 62

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1 or maybe 60 something. We ended up pulling some number off.  
2 I don't remember the exact number.

3 SPECIAL AGENT GIETL: We talked to people outside  
4 of Engineering, part of the task force, and we know that they  
5 did that for different areas also.

6 MR. DeBARBA: Yeah.

7 SPECIAL AGENT GIETL: They had a certain number  
8 and they said no refills and they put some people back.

9 MR. DeBARBA: Yeah.

10 SPECIAL AGENT GIETL: You know. In your opinion,  
11 and I'm going to ask you your opinion because it's important  
12 of the three people I'm more concerned with or four, looking  
13 at [redacted] looking at [redacted] and [redacted] and [redacted] recall  
14 the employee in your opinion, did you know them well enough  
15 to make an opinion of them?

16 MR. DeBARBA: I did not know [redacted] at all  
17 really other than the fact that I had sat in on a [redacted]

18 [redacted] I was struck by his lack of communication ability,  
19 the fact that he was almost unintelligible. And I was struck  
20 by that.

21 I had an opportunity to review his case and come  
22 to an understanding of what that was all about, but having  
23 seen the matrix, ultimately, and seeing him on the bottom of  
24 that particular list, I wasn't surprised, after having gone  
25 through that experience, that he was not valued real highly

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1 by his organization.

2 SPECIAL AGENT GIETL: Very bad first impressions  
3 it sounds like.

4 MR. DeBARBA: That's right.

5 SPECIAL AGENT GIETL: The [redacted] that you sat  
6 in, what was he [redacted] do you recall?

7 MR. DeBARBA: He was [redacted]  
8 [redacted] if I recall.

9 SPECIAL AGENT GIETL: And the [redacted]  
10 was based upon some work that he had done?

11 MR. DeBARBA: Correct.

12 SPECIAL AGENT GIETL: And there was two issues,  
13 I understand, the [redacted] and [redacted]

14 MR. DeBARBA: [redacted]

15 SPECIAL AGENT GIETL: Those two issues, my  
16 understanding is that he did [redacted]  
17 [redacted] in part because those jobs were not done very well.  
18 Is that your understanding?

19 MR. DeBARBA: That is correct.

20 SPECIAL AGENT GIETL: Is that what you're talking  
21 about? You said I wanted to get an understanding when I got  
22 in and I looked at what he was doing?

23 MR. DeBARBA: Right.

24 SPECIAL AGENT GIETL: Did you understand  
25 technically what he was saying?

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1 MR. DeBARBA: It took a while because it's not  
2 my specific technical background area, but I was able to work  
3 my way through that with some assistance, be able to  
4 understand what the issue was at the time.

5 SPECIAL AGENT GIETL: What was your opinion of  
6 his resolution of those two issues that he had been  
7 [REDACTED]? Do you think it was fair of the manager to  
8 say he [REDACTED] or did you think that the fellow  
9 had some good solutions there or what?

10 MR. DeBARBA: I think the manager was fair in  
11 evaluating him the way he did.

12 SPECIAL AGENT GIETL: One of the things and you  
13 are head of the grievance panel as a review, I understand?

14 MR. DeBARBA: There was I think they call it the  
15 third level review and I was not. There were three officers.  
16 I was one of the officers. I was not the chairman of the  
17 group.

18 SPECIAL AGENT GIETL: Okay. I understand that  
19 the presentation was made by [REDACTED] to Siemens Power on one or  
20 both of those issues, are you aware of that? 7c

21 MR. DeBARBA: Yes. I know it involves Siemens

22 --

23 SPECIAL AGENT GIETL: That was the sole vendor,  
24 I think.

25 MR. DeBARBA: That's correct on Millstone 2.

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1 SPECIAL AGENT GIETL: Did anybody you know from  
2 the Grievance Committee, did anybody contact Siemens to say  
3 what did you guys think of the solution? Did you understand  
4 what he was talking about?

5 MR. DeBARBA: At the Grievance Panel, no.

6 SPECIAL AGENT GIETL: I mean maybe you didn't do  
7 it. Did you review it to see if somebody along that chain  
8 of command, not the supervisor or the manager, the director  
9 up through Bonaca, did anybody go to Siemens and say "do you  
10 people understand these solutions, these presentations he  
11 made?"

12 MR. DeBARBA: We did talk with both Guerci and  
13 his first line supervisor, [REDACTED] who came in and gave an  
14 explanation on what had transpired.

15 SPECIAL AGENT GIETL: So what I'm saying is you  
16 have the first line managers saying this and you've got the  
17 boys saying that. There was a third place over here,  
18 Siemens, do you know whether anybody went over and asked  
19 Siemens "what do you guys think of this technical"?

20 MR. DeBARBA: I don't recall any discussions with  
21 Siemens.

22 SPECIAL AGENT GIETL: Was it a very, in your  
23 recollection was it a very bad product that we had put out?  
24 Was it just kind of a weak product? So-so product? What was  
25 the problem in your mind?

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1 MR. DeBARBA: I think it was lack of product.  
2 I think the supervisor was rating him

3  
4  
5  
6

7 You have real  
8 customers that they're trying to provide a service to and  
9 operating the cores and the expectation is they communicate  
10 with them.

7c

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17 SPECIAL AGENT GIETL: The customer out there in  
18 the plant, was that the SRO?

19 MR. DeBARBA: No, I think it was reactor  
20 engineering.

21 SPECIAL AGENT GIETL: Reactor engineering?

22 MR. DeBARBA: Yes.

23 SPECIAL AGENT GIETL: Did you talk to him or  
24 anyone on the Grievance Panel, was there anything, statements  
25 made by the Grievance Panel?

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1 MR. DeBARBA: I don't think so. I think there was  
2 correspondence in the file from the reactor engineering.

3 SPECIAL AGENT GIETL: Their comments as to?

4 MR. DeBARBA: They were dissatisfied.

5 SPECIAL AGENT GIETL: Okay, do you know if that  
6 grievance package is still in existence?

7 MR. DeBARBA: You know, I don't know. I don't  
8 know.

9 SPECIAL AGENT GIETL: Okay. Nancy, can you see  
10 if that grievance package is still around on [REDACTED]?

11 MS. KUHN: I'll ask.

12 SPECIAL AGENT GIETL: Thank you. Okay. What  
13 about [REDACTED] and [REDACTED] What did you know about them?

14 MR. DeBARBA: [REDACTED] I've known for many years.  
15 He's been with the company for quite sometime and I've been  
16 friendly with him on a personal level. He's a very nice guy.  
17 He was a supervisor at one time in the INC area at CY.

18  
19  
20  
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22  
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24  
25

That type of

thing.

We looked at his overall background during one

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*[Handwritten initials]*

1 of the reorganizations and ultimately thought that he ought  
2 to be given an opportunity in the probabilistic risk area.  
3 He had a background in nuclear engineering, as I recall, and  
4 perhaps in the PRA area, he could kind of re-emerge and re-  
5 invigorate himself and get back on a track that would be  
6 successful. A very nice guy.

7 SPECIAL AGENT GIETL: When he came into PRA, that  
8 was in '93?

9 MR. DeBARBA: Right.

10 SPECIAL AGENT GIETL: Was that PRA under your  
11 shop?

12 MR. DeBARBA: Yes.

13 SPECIAL AGENT GIETL: Okay, so [REDACTED] was demoted  
14 at that time out of his supervisor position, correct? X

15 MR. DeBARBA: The position was eliminated. We  
16 went through a re-engineering, restructuring of all of  
17 engineering and I think we ended up eliminating some 15 to  
18 20 odd positions and there were a number of positions  
19 eliminated. His was one of them. There were new positions  
20 that emerged and he was not viewed as one of the top  
21 candidates for one of the new positions.

22 SPECIAL AGENT GIETL: After he came over to PRA,  
23 did you ever have cause to have conversation with him about  
24 future supervisory positions?

25 MR. DeBARBA: I think all of the people who, I

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1 think just about all of the people who were downsized on  
 2 supervisory positions, I talked to individually, just to you  
 3 know find out how they were dealing with the situation, to  
 4 tell him that they shouldn't view their career as being over.  
 5 This is an opportunity for them to get a new start and to do  
 6 something. We had ever confidence that they'd be able to be  
 7 successful, but they had to -- I didn't want them to go off  
 8 and try to think of themselves as well, they could just be  
 9 a senior engineer now and just retire in place. I said that  
 10 would be a mistake on their part. They shouldn't do that.  
 11 This was an opportunity to really invigorate themselves and  
 12 I recall [REDACTED] talking about it and saying, yeah, he  
 13 understood and maybe he didn't want to be a supervisor.  
 14 Maybe it wasn't best and this may work out for the best for  
 15 him. I think he expressed that he was interested in [REDACTED]  
 16 [REDACTED] at the time and being broad based might be a  
 17 little bit better for him than being at the plant. He said  
 18 he could accommodate both and do it and he was -- he felt  
 19 like he was charged up and really make a go of this, be a  
 20 contributor.

21 SPECIAL AGENT GIETL: Those comments to you,  
 22 would you have included the comment that he would be  
 23 considered for supervisor again?

24 MR. DeBARBA: Yeah, I think I probably did.

25 SPECIAL AGENT GIETL: Okay, you've known [REDACTED]

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 EX 7C

1 for a long time. What was his association with [redacted]?

2 MR. DeBARBA: I think he was an INC engineer and  
3 [redacted] was in INC.

4 SPECIAL AGENT GIETL: That was an area under you?

5 MR. DeBARBA: No. Not at that time.

6 SPECIAL AGENT GIETL: Was it eventually under  
7 you?

8 MR. DeBARBA: For some brief period of time in  
9 1990, 1991. I think Paul was in my group.

10 SPECIAL AGENT GIETL: Was that during the

11 [redacted]

12 MR. DeBARBA: Very tail end of it.

13 SPECIAL AGENT GIETL: How involved was [redacted] with  
14 those issues with [redacted]?

15 MR. DeBARBA: I don't think very involved at all.

16 Not that I recollect. In fact, I'm not even sure that [redacted]

17 was directly in [redacted]'s chain of command. I know he worked

18 in the electrical and INC area, but there was a split. Part

19 of it was instruments and part of it was controls. [redacted] was

20 more instruments. I can't recall if [redacted] was instruments or

21 was controls or both. I just don't know. They were in the

22 same physical work location.

23 SPECIAL AGENT GIETL: Is that why in your first

24 testimony you mentioned that [redacted] is one as having some

25 sensitivities because he had been associated with [redacted]

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[REDACTED]

MR. DeBARBA: Right, I think the people generally in the work proximity to [REDACTED] might have some sensitivities from having been in that situation. It was a situation that occurred over many years and that might have left some feelings on the part of people that were very strained.

SPECIAL AGENT GIETL: You're sitting there and you've got the matrixes submitted to you now and there's an X next to [REDACTED]'s name that was put there by Bonaca or his manager?

MR. DeBARBA: Right, his supervisor contributed too.

SPECIAL AGENT GIETL: The supervisory contributed, but I think I don't know whether the supervisors signed those or not.

MR. DeBARBA: I don't think so.

SPECIAL AGENT GIETL: But at any rate would your concern be that maybe [REDACTED] might have some sensitivities and would it have to be down here at this level with Kupinski, I mean Dube, and Don Dube was his manager and Bonaca? They may have had some ulterior motive for scoring them low? Is that what you meant by a sensitivity, I want people to look at it because -- just to make sure nobody is scoring him low?

MR. DeBARBA: No, I think the question had come to me are there any people in the organization that might

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*EX 7C*

1 have some sensitivities who appear on your list and I looked  
2 at it from the standpoint well, what could be sensitivities?  
3 I mean you've got race, color, creed, employee concerns.  
4 What other types of things might be sensitive and I looked  
5 at it from a standpoint of a lot of them I couldn't see,  
6 would there be any sensitivity, but I looked at it and I said  
7 geez, I know [REDACTED] and maybe [REDACTED] had worked in that  
8 area. There could be some sensitivities from working in that  
9 area. I wasn't aware of any, but it doesn't mean that I know  
10 everything either.

11 SPECIAL AGENT GIETL: Was [REDACTED] -- what was his  
12 association with [REDACTED] if you know?

13 MR. DeBARBA: I think he worked in that same  
14 area.

15 SPECIAL AGENT GIETL: Same line as [REDACTED] that  
16 you're describing?

17 MR. DeBARBA: Right.

18 SPECIAL AGENT GIETL: Had you ever had individual  
19 conversation with either [REDACTED] or [REDACTED] about [REDACTED]  
20 or [REDACTED]'s concerns?

21 MR. DeBARBA: Not that I recall.

22 SPECIAL AGENT GIETL: From 1994?

23 MR. DeBARBA: I don't think so. I don't recall  
24 them ever having sought me out to talk to me. I don't recall  
25 ever having sought them out to talk to me.

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EX-7C

1 SPECIAL AGENT GIETL: This was all that you know  
2 about [REDACTED] and [REDACTED] and that's why, just because of the  
3 location of their previous position that maybe someone might  
4 want to make sure that everything is okay?

5 MR. DeBARBA: Right.

6 SPECIAL AGENT GIETL: Okay. And you eventually  
7 to added assurance had to provide some information to them?  
8 You identified them, but did you provide information later  
9 on to the added assurance?

10 MR. DeBARBA: I don't know about that. I don't  
11 know what information I provided.

12 SPECIAL AGENT GIETL: Could you have provided  
13 anything more than what you've told me today?

14 MR. DeBARBA: I can't imagine I did other than  
15 somebody asking for copies of performance reviews, but I  
16 think they would have gotten those directly themselves.

17 SPECIAL AGENT GIETL: You didn't prepare any  
18 documents or written explanations or anything like that?

19 MR. DeBARBA: Not that I recall.

20 SPECIAL AGENT GIETL: Anything to justify their  
21 scores?

22 MR. DeBARBA: Justify their scores? I don't  
23 recall that.

24 SPECIAL AGENT GIETL: You just don't recall doing  
25 anything with added assurance?

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per hour  
7

1 MR. DeBARBA: No.

2 SPECIAL AGENT GIETL: The last time we took an  
3 attorney-client privilege I just wanted to know if you gave  
4 him anything. All I want to know is what you felt about  
5 [REDACTED] and [REDACTED] do you feel that either one of them in any  
6 way was targeted because of their prior association with  
7 [REDACTED]?

8 MR. DeBARBA: Not at all.

9 SPECIAL AGENT GIETL: And you said in your  
10 earlier testimony you don't know of any concerns that they  
11 had raised?

12 MR. DeBARBA: Still don't.

13 SPECIAL AGENT GIETL: Okay. I didn't mean that  
14 question to come out like they had. I just wanted to know  
15 if you knew if they had.

16 MR. DeBARBA: No.

17 SPECIAL AGENT GIETL: I don't know if they had  
18 either. We should be done in just a few minutes.

19 MR. DeBARBA: Who signed off formally on the  
20 termination, those terminations, who gave the final approval?

21 MR. DeBARBA: Who signed off? Well, I signed the  
22 matrix and you know I don't recall if there were letters that  
23 actually went out to people or how that worked. I just don't  
24 recall.

25 SPECIAL AGENT GIETL: At some point you would

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1 have had to concur at least with people in Engineering that  
2 were being terminated?

3 MR. DeBARBA: Yeah, I did that by virtue of  
4 signing the matrix.

5 SPECIAL AGENT GIETL: Okay, and then it goes up  
6 the road and people said okay, we approve of Mr. DeBarba's  
7 actions, reviews. Who finally said this is it?

8 MR. DeBARBA: I know there was a whole review  
9 process and there was ultimately a senior review panel.

10 SPECIAL AGENT GIETL: Okay. Real briefly on the  
11 matrices, when the people were filling them out, managers,  
12 supervisors' input, with director, etc., who were they  
13 supposed to be engaging with the employees? Was it past  
14 performance, current performance or future performance, in  
15 your opinion?

16 MR. DeBARBA: I think there's some combination  
17 there and I think clearly one element of it was the most  
18 recent two performance evaluations, but there were a number  
19 of attributes in there which were the Year 2000 attributes  
20 that were identified as competencies that we were looking at  
21 for a work force that would get us to the point where we  
22 would be a successful organization. So there's some judgment  
23 in there and the competencies reflected that judgment needed  
24 to be made.

25 SPECIAL AGENT GIETL: The other day, and I'll go

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1 to [REDACTED] first. I looked at [REDACTED]'s evaluation. I don't  
2 believe there's any [REDACTED]. Just overall [REDACTED] I understand there  
3 was a wide range of [REDACTED]. And I'm just wondering, I'm still  
4 concerned why he was picked. I mean because someone was  
5 picked, does that mean you're a low performer in their own  
6 right or is it relative to the other people they're working  
7 with?

8 MR. DeBARBA: I think you really have to take the  
9 whole matrix and the whole scores that go through it. I  
10 think that the manager working with the supervisor,  
11 understanding those attributes and what the performance  
12 characteristics of that individual really are, what dictates  
13 that. I think it's the general guidance that we provided to  
14 people was that they ought to be rating those people based  
15 on those attributes as they were listed and whatever the  
16 characteristic was, whether it was communication, that might  
17 be one.

18 What did it specifically say under communication  
19 and what was their understanding of that person's ability to  
20 communicate? They're seeing them on a first-hand basis and  
21 what not. A lot better than I'd be able to judge. I don't  
22 know their skills. They're seeing them on a daily basis so  
23 they should be in a position to make that kind of an  
24 assessment.

25 SPECIAL AGENT GIETL: I just wanted to double

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1 check, added assurance, because those names are on there, the  
2 names for [REDACTED] is on here. [REDACTED] is on there. [REDACTED] is on  
3 there. But you don't recall providing any information to the  
4 added assurance people about these names, other than maybe  
5 identifying -- did you say this is what I know about them or  
6 I prepared something?

7 MR. DeBARBA: I don't recall submitting anything.

8 SPECIAL AGENT GIETL: Okay. I wanted to go back  
9 and question you as far as you recalled.

10 MR. DeBARBA: The only thing that I know that we  
11 did was removed some people from that added assurance list.

12 SPECIAL AGENT GIETL: When the X comes off or  
13 because you didn't think there were any sensitivities?

14 MR. DeBARBA: I think it was because we  
15 determined there were some people that we couldn't do  
16 without.

17 (Pause.)

18 Maybe just a point of clarification?

19 SPECIAL AGENT GIETL: Sure.

20 MR. DeBARBA: On that list, as we learned that  
21 there were not going to be replacements, we were also looking  
22 at that list and it was clear that in certain cases that that  
23 would not work, that would not be acceptable. So, for  
24 instance, my secretary, her name appears on that list. In  
25 looking at that from a replacement standpoint, it was clear

1 that I needed to have a secretary, was one person and that  
2 I was going to need to fill that position.

3 SPECIAL AGENT GIETL: Was your secretary on the  
4 added assurance list?

5 MR. DeBARBA: Her name is on that list right  
6 there.

7 SPECIAL AGENT GIETL: Oh, which name is that?

8 MR. DeBARBA: [REDACTED]

9 SPECIAL AGENT GIETL: Okay, but she came off this  
10 list later because you didn't let her go?

11 MR. DeBARBA: Did not.

12 MS. KUHN: She came off the RIF list.

13 SPECIAL AGENT GIETL: Is that when you reduced  
14 from the 62 down to the --

15 MR. DeBARBA: That's correct.

16 SPECIAL AGENT GIETL: Okay. Okay. You talked  
17 about it earlier and I saw it in your testimony and I  
18 understood what you were saying about the design engineering.  
19 Is that Bonaca's area? Does design come under Bonaca's area?

20 MR. DeBARBA: Yes.

21 SPECIAL AGENT GIETL: In the future, did you see  
22 Bonaca's department being cut down tremendously over the next  
23 few years?

24 MR. DeBARBA: Yes. In selected areas. But  
25 overall, I'd say it was going to be reduced.

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EX 7C

1                   SPECIAL AGENT GIETL: I had here a -- let me as  
2 you a question first, I've got a copy here and I think you  
3 talked about it in your first interview regarding the January  
4 30, 1996 memorandum from Quinn to Feigenbaum about the  
5 Millstone employee concerns assessment report?

6                   MR. DeBARBA: Right.

7                   SPECIAL AGENT GIETL: That was an in-house survey  
8 that talked about really the problems with the concerns  
9 program and employees, many employees fear raising concerns.  
10 Are you familiar with that?

11                   MR. DeBARBA: Right.

12                   SPECIAL AGENT GIETL: Do you think this  
13 downsizing that occurred in January of '96 would contribute  
14 to a chilling effect among employees, what was perceived by  
15 employees?

16                   MR. DeBARBA: Well, that would be speculation.

17                   SPECIAL AGENT GIETL: That's part of your job is  
18 to read the employees' morale out there. Do you know  
19 anything, or did you sense anything that people are upset  
20 because of the downsizing?

21                   MR. DeBARBA: We know that what they found in  
22 this survey is that we've got a gap. Whether that gap has  
23 been exacerbated by this, there's not enough intelligence to  
24 be able to tell whether the downsizing had any direct effect.

25                   We do know from all organizations that whenever

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1 you go from downsizing in an organizing that it's emotional  
2 stress in the organization and there's not an organization  
3 in this world that goes through it without creating some sort  
4 of emotional stress and that we know.

5 SPECIAL AGENT GIETL: Well, beyond the normal  
6 emotional stress, do you think anybody would believe that  
7 downsizing did target certain individuals?

8 MR. DeBARBA: I don't think so.

9 SPECIAL AGENT GIETL: You've read the newspaper  
10 articles, I assume, front page stories, particularly I think  
11 they mentioned [REDACTED] and [REDACTED] as associates of [REDACTED] 7C  
12 Did you read those articles?

13 MR. DeBARBA: I have seen those, yes.

14 SPECIAL AGENT GIETL: What's your comment about  
15 the articles?

16 MR. DeBARBA: I think it's not factual.

17 SPECIAL AGENT GIETL: The pulse of the  
18 organization out here, did the people out here, and it' not  
19 just speculation, it's your people. Do you sense that many  
20 of them agree with the article, the concept that downsizing  
21 was used to target individuals or it was not?

22 MR. DeBARBA: I have not received any feedback  
23 that people feel that there is any kind of a chilling effect  
24 or that people were targeted in any way. I know personally  
25 first hand that we went to extraordinary means to make sure

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1 that the process was fair and equitable in all regards and  
2 that I know personally that those people who were mentioned  
3 that nothing could be further from the truth.

4 So I have direct, first hand knowledge that it  
5 was the case and I have no feedback whatsoever from people  
6 that they feel that people were improperly selected.

7 SPECIAL AGENT GIETL: As the downsizing process  
8 was progressing September, October, November, December,  
9 because of the problems with the watch list, requirements  
10 from NRC, whatever, was the work load going up at Northeast,  
11 at the Millstone Units?

12 MR. DeBARBA: I think we had workload increase  
13 through -- but I count it at a small level, through the end  
14 of January. It wasn't until the only real sizeable piece  
15 that we got early notification was this 50.50(4)(f) letter  
16 we got at Millstone 1 which was in December, but even at that  
17 time it was not viewed as a real significant task.

18 SPECIAL AGENT GIETL: Some of the other managers  
19 have told me they thought it was, a reasonable task for them.

20 MR. DeBARBA: December, in December?

21 SPECIAL AGENT GIETL: Yes.

22 MR. DeBARBA: Well.

23 SPECIAL AGENT GIETL: I'll be honest with you,  
24 what I have sensed with people out here, particularly in  
25 Bonaca's area, I don't think a lot of people knew what was

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1 happening to the department and maybe I don't know, maybe  
2 that's why they have some of these feelings, but we can't  
3 afford to lose people. We've got more of an increased  
4 workload. Why was management doing this? If I understood  
5 you today, you said things changed very rapidly in Bonaca's  
6 area. Is that true?

7 MR. DeBARBA: I was saying there were  
8 opportunities for some change in the nuclear engineering area  
9 that we could see some synergies gained with Yankee Atomic  
10 who was providing those services.

11 SPECIAL AGENT GIETL: If you had to do it over  
12 again, would you have delayed your layoff?

13 MR. DeBARBA: That's speculation. That's with  
14 hindsight.

15 SPECIAL AGENT GIETL: With hindsight, would you  
16 have delayed it based on the workload that you had the last  
17 couple of months, December, January, February, would you have  
18 delayed it?

19 MR. DeBARBA: Clearly, we've brought in a lot  
20 more people now because we've got a tremendous workload. We  
21 didn't expect to be on the watch list. We did not expect to  
22 have three units shut down for long periods of time like this  
23 or to have received the scrutiny we had where employees  
24 appeared on the cover of Time Magazine.

25 SPECIAL AGENT GIETL: When did the watch list

1 start?

2 MR. DeBARBA: It was the end of January, first  
3 of February.

4 SPECIAL AGENT GIETL: Okay.

5 MR. DeBARBA: Up until that point in time we had  
6 all of the Millstone units running with the exception of  
7 Millstone Unit 1 and Unit 1 was really readying for  
8 completing their outage. We didn't know real warning signs  
9 other than you were wrestling with this issue on the spent  
10 fuel pool and that other than that we had some questions that  
11 had been given to us from the NRC, but in our dialogue back  
12 and forth with the NRC, we did not see that as a real  
13 insurmountable task.

14 SPECIAL AGENT GIETL: Okay. You say you have a  
15 lot more people out here now. Is that in the form of  
16 contractors?

17 MR. DeBARBA: Yes.

18 SPECIAL AGENT GIETL: Do you know if some of  
19 those contractors are retired people who were brought back?

20 MR. DeBARBA: I know some of them are here. I  
21 don't know what percentage.

22 SPECIAL AGENT GIETL: Was there an anticipation  
23 of the downsizing in the plan all together that we can reduce  
24 here, through contractors or through outsourcing, that sort  
25 of thing?

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1 MR. DeBARBA: No. In fact, we talked openly of  
2 a plan to reduce our contractors to zero and we had put  
3 together a contractor reduction plan.

4 SPECIAL AGENT GIETL: Do you still have that  
5 plan?

6 MR. DeBARBA: We still have the document that  
7 showed that what we were going to do to get to zero  
8 contractors.

9 SPECIAL AGENT GIETL: Okay. You know and it's  
10 really kind of a final area, your chance if there's anything  
11 you want to add, but I would have gathered from talking to  
12 a number of people is that we -- and I hear what you are  
13 saying yourself that while there's the plausibility or some  
14 real synergy gains to be made in the future and this sort of  
15 thing. That's what I've heard a lot of talking to a lot of  
16 people that re-engineering wasn't completed, that we had some  
17 ideas maybe in a couple of areas, but we had some ideas of  
18 where things were going to change and we were really looking  
19 at this stuff, yet Northeast lays off 250 people. Why not  
20 -- most places I've been and looked at, they reconfigure  
21 positions, here's how we can do it and this is all the people  
22 we need. We'll get rid of the ones we don't know, that sort  
23 of thing. But the way you did it seems a little bit  
24 different and I really would like you to comment on that.  
25 It's almost a cart before the horse thing. Let people go and

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1 we'll figure out how to do the job. So tell me your view of  
2 it.

3 MR. DeBARBA: I think when we put together the  
4 strategic plan, we were actually working on certain processes  
5 that would cause performance improvement, so for instance,  
6 we had been working already for a year on a design control  
7 manual. And that I believe it was December of last year or  
8 January of this year we issued a five unit design control  
9 manual. Again, the theory being there's going to be a more  
10 productive way of doing design change work and we'll do it  
11 with far fewer people, that we had put together processes on  
12 prioritizing the work that Engineering would do, so that  
13 instead of doing 200 design changes per year per unit, we  
14 would get it down to more of an industry average of 100 or  
15 less. Again, a big reduction in engineering workload and to  
16 do that we had to develop these processes and called them  
17 SMRC, site management review committees, or other management  
18 review committees that had operations management people at  
19 the leadership position to prioritize what work we were going  
20 to ask the Engineering people to do. And those people who  
21 had responsibilities for budgets would also control that work  
22 gate.

23 The theory was that we were doing work that  
24 probably did not have much value and so that we needed to be  
25 able to allow the engineering groups to be successful by

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1 controlling the work input.

2 We had also worked for several years coming up  
3 with a 24-month fuel cycle. With a 24-month fuel cycle every  
4 six years you have one less refueling outage and refueling  
5 outages end up being a big work driver for engineering. And  
6 we're well on our way now for the 24-month fuel cycles. In  
7 fact, Millstone 1 we're already there. CY we're pushing out  
8 to 20 months now. Units 2 and 3 are both nearing those kind  
9 of extended cycles.

10 So we now have fewer refueling outages to deal  
11 with them than we did in the past. So it's not a matter of  
12 putting the cart before the horse. We had been working on  
13 the front end of this work for a couple of years now to  
14 position ourselves to be successful.

15 What we did not anticipate was all the business  
16 of watch lists and these other things. There's no way we  
17 could have seen that, I don't think.

18 SPECIAL AGENT GIETL: These changes, did the  
19 managers, supervisors down in that level out there, the front  
20 line people or the front line supervisors and second level  
21 line, did they understand a lot of these changes that were  
22 taking place? You said earlier, way back earlier in our  
23 conversation that you were at a vantage point that a lot of  
24 people didn't enjoy to see these changes. Was there a  
25 problem, maybe in keeping the people out there informed look,

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1 here's what's going to be happening big in your department  
2 or not? This is what we see for the future?

3 MR. DeBARBA: I think we had communications with  
4 people. I think I'm involved in a lot of strategic  
5 discussions that maybe they're not involved with and their  
6 sphere of influence is smaller, so it may be harder for them  
7 to see, for instance, how their function is going to change  
8 because they're not looking -- they're just saying I'm  
9 responding to these requests. I'm still seeing the requests  
10 come in and maybe, having a harder time saying, seeing the  
11 fact that you all were controlling the front end here so that  
12 you're going to have fewer requests in the future and their  
13 comment might be well, I'll believe it when I see it. All  
14 right, because I still have quite a few. I'm saying well,  
15 I know what's happening because we've got the process set up.  
16 It's established. It's working.

17 SPECIAL AGENT GIETL: I guess the question is not  
18 so much I'll believe it when I see it, but maybe they were  
19 never told and I wonder if they were a little bit in a vacuum  
20 as to the changes that are taking place out there. It's just  
21 a comment. I don't know that there's any answer to it.

22 MR. DeBARBA: If you look at the strategic  
23 planning document, the presentation we put on in Engineering,  
24 that we put on to executive management, that it basically  
25 laid out the overall plan on that and that was shared pretty

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1 widely in the engineering circles.

2 I think people had an opportunity to see where  
3 we were heading on these things. The business plan was  
4 shared very widely in the organization. Had all the details  
5 in it.

6 SPECIAL AGENT GIETL: I'm just about finished.  
7 We talked about a lot of things today. Is there anything  
8 that you want to put on the record, any comments? I also  
9 will tell you this, I don't know if everybody else does, you  
10 may walk out of this meeting and if I'm still here, finish  
11 with the next one, come on back and we could put it on the  
12 record if you'd like. Or if something bothers you tomorrow,  
13 call me. Feel free, if you do. This is also -- in other  
14 words, this is not your last opportunity, but it is an  
15 opportunity for you to put it if you would like into the  
16 record.

17 MR. DeBARBA: Right, right, not at this time.

18 SPECIAL AGENT GIETL: No? Okay. Counsel, is  
19 there anything you want to add to the record?

20 MS. KUHN: I want to take one moment and step out  
21 with him. There is a point of clarification that might be  
22 useful to put on the record now while we're all together.

23 SPECIAL AGENT GIETL: Okay. We'll go off the  
24 record for a moment.

25 (Off the record.)

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C E R T I F I C A T E

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: INTERVIEW OF ERIC DeBARBA

Docket Number: (NOT ASSIGNED)

Place of Proceeding: WATERFORD, CONNECTICUT

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.



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SCOTT DILDINE  
Official Reporter  
Neal R. Gross and Co., Inc.

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