

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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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.

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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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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]

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EX 7C

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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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EX 7C

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

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

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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.

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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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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

*Per Harris
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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

per [REDACTED]
 7

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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EX 7C

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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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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