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Private Fuel Storage

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72-22-ISFSI

Location:

(telephone conference)

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June 17, 2004 (11:17AM)

Date:

Tuesday, June 15, 2004

OFFICE OF SECRETARY **RULEMAKINGS AND ADJUDICATIONS STAFF**

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1	UNITED STATES OF AMERICA
2	NUCLEAR REGULATORY COMMISSION
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4	ATOMIC SAFETY AND LICENSING BOARD PANEL
5	PRE-HEARING CONFERENCE CALL
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8	IN THE MATTER OF:
9	PRIVATE FUEL STORAGE, L.L.C Docket No. 72-22-ISFSI
10	(Independent Spent Fuel
11	Storage Installation)
12	
13	Tuesday, June 15, 2004
14	Teleconference
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17	The above-entitled matter came on for
18	hearing, pursuant to notice, at 1:30 p.m.
19	
20	BEFORE:
21	MICHAEL C. FARRAR Chairman
22	PETER S. LAM Administrative Judge
23	
24	
25	
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10	OTHER	BOARD PERSONNEL PRESENT:
11		TONY EITRIM
12	:	ALEX KARLIN
13	:	SUSAN LIN
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15	OTHER	NRC SECURITY STAFF PRESENT:
16		KATHY LYONS-BURKE
17		CINDY HARBAUGH
18		BERN STAPLETON
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P-R-O-C-E-E-D-I-N-G-S

	CHAIRMAN	FARRAR:	On the	record	. It's
Tuesday, Jur	ne 15 at	1:30 p.m.	We're	having	another
one of our	series o	f prehear:	ing conf	erences	in the
Private Fuel	Storage	case, the	last pha	se of th	ne case.
Would the pa	rties who	on the li	ne ident	ify them	selves?
Ms. Chancell	or.				

MS. CHANCELLOR: Denise Chancellor and Connie Nakahara for the State of Utah.

CHAIRMAN FARRAR: All right. Ms. Chancellor, do get a little closer to the microphone or to the phone next time. The reporter will be able hear it better. Mr. Gaukler.

MR. GAUKLER: Paul Gaukler and Sean Barnett for PFS.

CHAIRMAN FARRAR: Okay. And Mr. Turk.

MR. TURK: Sherwin Turk and Laura Zaccari for the Staff. We have with us Mr. Bern Stapleton from NSERVE. We also have Dr. Kazimireas Campe and Mr. Michael Watters.

CHAIRMAN FARRAR: All right. Welcome to all of you. I have with me at Headquarters or in the Board's office not only the court reporter, but my colleague, Judge Lam. Judge Abramson is in New Mexico on, I believe, the LES case and cannot call in. I

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also have with me from our office, Tony Etrim, our counsel and Susan Lin, our law clerk.

I'm delighted to introduce you all sitting in as an observer our newest legal judge who came on yesterday, Alex Karlin, K-A-R-L-I-N. He has a great history for this job, two years at EPA Enforcement and a year at Clean Sites, the organization that brokered hazardous waste clean-up, a decade at Morgan, Lewis & Bockius where Susan is anxiously going to head in September if we let her go and 15 years in industry as in-house counsel for Shell Oil and British Nuclear Fuels. We're delighted to have him in here. I told him this is the best case around with the best lawyers and will be interesting to observe.

I also have for the early part of the call just like Bern Stapleton is here Cindy Harbaugh from our physical security area at the Commission and Kathy Lyons-Burke from the information office security there. Let me start by asking if there have been, so that these good people can go along their way, any safeguards kind of issues that you've struggled with over the last month or so.

MR. GAUKLER: None, Your Honor, that we're aware of.

CHAIRMAN FARRAR: The reporter is here so

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Т	if the
2	MR. GAUKLER: Paul Gaukler from PFS. None
3	that I'm aware of, Your Honor.
4	CHAIRMAN FARRAR: Okay. If Denise has a
5	Ms. Chancellor, I forget if it's Australia or New
6	Zealand.
7	MS. CHANCELLOR: Australian, Your Honor.
8	CHAIRMAN FARRAR: Pardon me. Your voice
9	is distinctive, but if the gentlemen particularly can
10	be sure to identify themselves. Ms. Chancellor, any
11	problems you've run into?
12	MS. CHANCELLOR: None, Your Honor.
13	CHAIRMAN FARRAR: Mr. Turk.
14	MR. GAUKLER: I do have one question.
15	There is no problem if there is no problem with that.
16	CHAIRMAN FARRAR: Go ahead, Mr. Gaukler.
17	MR. GAUKLER: The question is one
18	alternative that we've been looking at for war room in
19	Rockville is to try to find a conference room or
20	offices in a building that would be considered
21	controlled access which would allow us to use the file
22	cabinet with DSA lock as opposed to a safe.
23	So far, we haven't had any luck
24	whatsoever, but the types of buildings that we're
25	running across, and I had a question with it, I should

continue to pursue this although this does not meet 1 the NRC requirements. These are buildings that have 2 controlled card access in the evening, off hours, and 3 4 during the days they have receptionists on the various floors that check people in, etc. 5 That would meet 6 MS. HARBAUGH: 7 requirements. 8 MR. GAUKLER: That would meet? 9 That would be my initial MS. HARBAUGH: 10 inclination. This is Cindy Harbaugh responding. would want to confer with my management to see that 11 12 they are in agreement with me, but I believe I can 13 speak to that. I would like a little bit more detail though, specifically what kind of card access and just 14 15 again more detail as far as what they're physical 16 security would be. 17 MR. GAUKLER: If we came to the point 18 where we were close to making arrangements with somebody, we would obviously get that detail. Right 19 20 now, we've been talking to some potential places and we have had availability, but they described generally 21 their security just as I described it to you in 22 23 general terms. MS. HARBAUGH: And that would be 24 hour 24

combining card

access

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access

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hour with a

1	receptionist as well.
2	MR. GAUKLER: The receptionist would be
3	there during the day, business hours. So during the
4	business hours, in other words, you go into the
5	building during business hours without a card, but on
6	each floor, you would have a receptionist and the
7	evenings after hours, you would need a card. It's
8	controlled card access to get into the building.
9	That's the way it's been described to me.
10	MR. TURK: Paul, would there be card
11	access required on each floor during the day or they
12	would simply be screened by the receptionist?
13	MR. GAUKLER: They would simply be
14	screened by the receptionist is my understanding.
15	MS. HARBAUGH: I think that needs to have
16	a bit more Staff discussion before I can give you an
17	absolute answer on that.
18	MR. GAUKLER: Okay.
19	CHAIRMAN FARRAR: Ms. Chancellor, are you
20	running into the same thing?
21	MS. CHANCELLOR: Not so far, Your Honor.
22	In terms of Washington, D.C., yes. We're thinking
23	that we're probably going to have to buy a safe which
24	is going to be a real pain because what do you do with
25	a \$1,000 safe after - \$2,000 Connie just said - the

end of the hearing. As Mr. Gaukler is looking at controlled access, we're sharing information on availability of safe and availability of controlled access.

MR. GAUKLER: How much you have controlled access and the safe looking at we're exchanging information on.

CHAIRMAN FARRAR: Let me make this suggestion then. Why don't you leave the Board out of this as the middleman. You all communicate directly with Cindy. She knows that our overall philosophy is to make things as easy for you as possible, but certainly adhering to NRC security policy. So if you all want to deal directly with her, give her the precise information once you find a place and then she can talk to her people and get back to you. Cindy, what's your email address?

MS. HARBAUGH: CGH1@nrc.gov.

all just communicate directly with her and include me as a copy on the email, but we will keep ourselves out of it. Any other issues you all have run into? All right. Hearing none, as our email of June 8th indicated, I did want to take up one question about the merits of the case and correct me if I'm wrong,

but as I understand it, we all view the historical accident reports themselves as non-safeguards. Those have been in the public domain and rightfully so. So that would say if we're just talking about the historical reports, why can't --

Let me back up. You've submitted some party reports about those reports and those have been non-safeguards. So that leads me to raise the question why wouldn't that part of the hearing be open to the public which basically means open to reporters from the newspapers since no one from Salt Lake is going to come.

But then if I follow that down too far, it seems to me there's a concern. If someone sat in the hearing room and heard all the evidence about the various speeds and angles of the crashed planes, they could form their own conclusion about what the upshot of that was. You know, what's the typical plane crash at and if then, they later learned that we approved the company position, would that give them information?

They'd sit there and say, "Well, I sat there and I'm figuring the average plane comes in at 300 knots and the Court or the Board didn't approve the application. That means 300 knots with an F-16

will crash through one of these." So am I right that 1 we don't want to open the hearing? First, what's the 2 3 parties' preferences and then I'll ask our security 4 people to speak to that. 5 I don't have a preference, MR. GAUKLER: Your Honor. This is Paul Gaukler. I just would point 6 7 out one other complicating factor that Your Honor 8 hasn't mentioned which is that we are doing the 9 ordinance at the same time we're doing the F-16 speeds and angles and our ordinance witness does talk about 10 the capability of ordinance to penetrate or to not 11 12 penetrate the casks. 13 The State witness does not directly. just talks about the speeds and angles, but I don't 14 15 know if you get into anything concerning penetration. But I believe the Staff's witness reviews our report 16 so therefore he would be in the same position as our 17 witness would be. 18 CHAIRMAN FARRAR: Ms. Chancellor, do you 19 20 have any thoughts? 21 MS. CHANCELLOR: We want to have as much 22 of it open as possible, Your Honor. I think there may be a couple of reporters from Salt Lake who may show 23 24 up. 25 CHAIRMAN FARRAR: Mr. Turk, don't speak

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for Mr. Stapleton yet. We'll let him speak, but does the Staff have a position on your preference?

MR. TURK: Let me say the general position and then let me make it more particular to this proceeding. Our general position is that proceedings should be open to the public wherever Here, there is a limitation on what we possible. could talk about in the hearing. If any Board has any questions to ask of a witness, for instance, in terms of what's the average speed of impact or what's the probability of impact at a certain speed, those kinds of questions, or if there's cross examination along the lines like that, those kinds of questions might lead the member of the public or reporter to wonder why you're asking that question, why is that relevant or what kind of analysis is being done here.

So I think because it does get into an intertwining with the issues that have to be treated as safeguards and because we're really only talking about a day or two at most of hearing time that would be dealing with aircraft crash probability, in fact, the parties have been talking about how much time would go into that and it comes out really to about one day's worth of hearing on the aircraft angles and speed, if that much. I don't really see the benefit

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of throwing open this limited portion of the hearing only to have reporters wonder "Okay, well, now what's the rest of this and how does this all tie in?" I think rather than get into speculation at this point, it would be more prudent to say because the historic record here is being assessed with respect to the kind of analysis that's being done, that might just lead to more questions than are worth dealing with.

CHAIRMAN FARRAR: All right. Thank you, Mr. Turk. Mr. Stapleton, what's your view independent of what Mr. Turk just said, but from the point of view of your job?

MR. STAPLETON: Well, Your Honor, all the historical data stated earlier is as you safeguards information and we have no problem with that being put out there, but I do believe that the types of questions that will be asked dealing with how the information was gathered or whether or not it's reasonable to assume certain speeds or angles would very quickly get us into the inputs that were used by the NRC, PFS in its assumptions, and for that reason, I should think it's something that could get us into trouble very quickly. So we would probably say we don't recommend that it be.

CHAIRMAN FARRAR: All right. Let me ask

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Τ	Rathy Lyons-Burke from the information office. Do you
2	have a position on this?
3	MS. LYONS-BURKE: No, Bern speaks to the
4	topic areas. I can just tell you how to process it.
5	CHAIRMAN FARRAR: Yes. Okay, and Cindy,
6	you would have no
7	MS. HARBAUGH: I would defer to Bern on
8	that.
9	CHAIRMAN FARRAR: Okay. We could argue
10	this at some length, but I think, Ms. Chancellor, I
11	appreciate your position and as Mr. Turk said, our
12	preference is to have these open. But it seems to me
13	we would go through a lot of effort, a lot of parsing
14	of our language, for not much return if we're only
15	talking a day or two. So while we can always revisit
16	this at a later time if circumstances changed, I think
17	the Board is in agreement that we would have the
18	entire hearing closed.
19	MS. HARBAUGH: From an access control
20	perspective, it would be much easier than saying this
21	is open, this is closed, etc. I think it would be
22	beneficial for it to be closed.
23	JUDGE LAM: This is Judge Lam. I
24	certainly agree with Judge Farrar. I think the
25	benefit of opening the proceeding for one day does not

balance the risk of accidental disclosure.

CHAIRMAN FARRAR: Well said, Peter. Well, then we'll go that way. Is there any test -- Does that also mean that all testimony should have the safeguards label or is there some testimony that someone would file that's non-safeguards? Mr. Gaukler.

MR. GAUKLER: I haven't thought through the details of the Fry/Jefferson's testimony. My guess would be that it's all going to be historical. It will be a summary of the reports followed by a response to the particular issues raised by the State in its report.

CHAIRMAN FARRAR: But there again, if they say "Here's our analysis of the historical data" and that is out there and say you all win the case, then someone could read their testimony and say "Well, this must be what the Board took as the given and so that tells us that at that speed the cask would not be breached."

MR. GAUKLER: They have the historical data already in their reports. Okay. They have all historical data that they've evaluated in the reports. They do not talk about probability in terms of what the likelihood of a particular accident happening.

Okay. That's Dr. Purnell who takes that data and he turns that into probability functions which he then evaluates with respect to the analyzed speed.

We're not saying that -- We haven't quite envisioned how and when we're going to exactly respond to the State's issue. The thought being we might not come close or get into some area might considered a safeguard, but the bulk of it is going to be the summary of the historical data and followed by a response to the particular issues raised by the State.

CHAIRMAN FARRAR: Ms. Chancellor, do you have some thoughts on this?

MS. CHANCELLOR: Not really, Your Honor. In fact, the one amount of testimony that we would file that may not be safeguards would be the Horstman & McDonald testimony. The rest of it would be safeguards because the Staff has already classified those reports as safeguards. We'll just have to wait and see after our testimony is written whether we address safeguards issues.

CHAIRMAN FARRAR: I guess I'm still -Even if you don't think it's safeguards, I guess I'm
still concerned that here's one piece of a puzzle and
even though it's a non-safeguards piece it could be
one of the docs that someone could later connect.

Maybe I'm over worried about this, but --

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MR. TURK: May I state a view, Your Honor?

MR. TURK: Sherwin Turk. I think in terms

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CHAIRMAN FARRAR: Yes.

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of the prefiled testimony, it would be a document and

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like any other document, it should be assessed on its

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own merits as to whether it's safeguards information

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or not. The reason why I'm recommending that we not

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open the hearing for that one day on angles and speeds

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is the risk that we may get into questioning that

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could go beyond what the documents state and get into

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safeguards information.

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So my recommendation would be for each party to determine on its own whether the testimony they're filing needs to be treated as safeguards or not and let that determination control whether the document is handled as SGI or not rather than make a blanket ruling that non-safequards we treat information as if it were safeguards in order to avoid pieces of the puzzle from getting out. already made public or not restrained anyone from making public the historic record of aircraft crashes. So I would not label all aircraft angles and speeds testimony as safeguards merely because we're doing this in a closed session of hearing.

CHAIRMAN FARRAR: All right. Let's do this. Let's leave it to the parties and if they want to file two pieces of testimony, they could. Maybe there is part one of General Jefferson's testimony that's not safeguards and then immediately followed by part two which is. That would be one way to do it. So we'll leave that to you. Now, Ms. Chancellor and Mr. Gaukler, are you all ever in direct connection with Mr. Stapleton to get his views before you submit something?

MR. GAUKLER: I have not been. No. The only time I actually sought his advice was indirectly. I talked to Staff counsel.

MS. CHANCELLOR: Your Honor, whenever we file everything, if there's even a hint that it may be priority or safeguards, we put the label on it may contain safeguards information but don't make any representation whether it is a safeguards or not. Then we wait to hear back from Staff how they actually view that document. So that's the way that we have proceeded. And, no, I've never gotten in touch directly with Mr. Stapleton because it's always a last minute effort to try to get a document out and I don't want to reveal what's in the document before I file it.

CHAIRMAN FARRAR: All right. 1 Thank you, 2 Ms. Chancellor. Then let's proceed as we have been. 3 We'll leave it to the parties. Feel free to break 4 your testimony into two parts if that helps you, one 5 that's just historic and the other that's more analytical and we'll go from there. 6 If there are no 7 other security questions, I thank Bern and Cindy and Kathy for again helping us doing our job properly and 8 9 we'll look to see them next time. Thanks very much. Mr. Bern says thank you and 10 MR. TURK: 11 he's leaving the room. Mr. Stapleton, excuse me. CHAIRMAN FARRAR: Before I change my mind. 12 Ms. Chancellor, thank you on behalf of everyone for 13 sending in this order of witnesses last night. 14 15 will certainly help today's discussion. I assume, though, that you thought if you sent it to me late at 16 17 night I wouldn't notice that you all are trying to sneak in six witnesses in the first two days. 18 So convince me of why that's going to work. 19 20 MR. GAUKLER: I guess, Your Honor. This is Paul Gaukler here. 21 CHAIRMAN FARRAR: 22 Yes. 23 MR. GAUKLER: I guess we are in the 24 process with respect to the order of witnesses and 25 working through time for cross examination and I've

just sent to the State based upon their order of witnesses a time allocation for hearing which they've proposed and it's based upon some general principle of just for the purpose of putting this together. But I have it showing two days based upon Ms. Chancellor's representations and my belief that we would be able to do it in two days.

The basic issue with respect to speeds and angles is not the particular speed or angle at which a particular accident would impact the ground. The issue that's been raised by the State goes more to what events should be included in the evaluation. So I think by just focusing away from the specific speeds and angles of this accident ought to be this speed as opposed to speed you hit it was, I mean, that the issues are relatively focused.

CHAIRMAN FARRAR: Mr. Gaukler, let me ask a question. I dug out last night, I guess, General Jefferson's report and I'm a little confused as to how many of these F-16s have like data recorders, the proverbial black box and how many of those were recovered or recoverable. There are points in his report where it sounds a little vague because he talks about getting a report from the pilot and what the air speed was when the pilot ejected, getting the imprint

of the dial on the instrument when the plane crashed. So are we dealing with basically what I would call "hard data from a flight data recorder" or are we talking about a farmer who says "Gee, the plane was going pretty fast when it crashed in my field" or something in between?

MR. GAUKLER: We are dealing with a combination of information there as I understand it. First of all, we're dealing with certain cases and Mr. Barnett really needs to help in terms of the number in which the impact speed was documented in the report.

CHAIRMAN FARRAR: Well, that's a further issue. It can be documented in the report because the farmer said it looked like it was going slow and the report says that probably means 200 knots. So, yeah, you have a problem that some reports don't document it, but the other problem is even if they documented it how hard was the data that they based the documentation on.

MR. BARNETT: Your Honor, I don't recall all the reports off the top of my head that had the documented speeds in them, but I don't believe that they would be relying on something like a lay witness saying "You know the plane was going fast or the plane was going slow when it hit," I believe, in terms of an

impact speed. There were certainly several cases where they did take data off of a flight data recorder because it's my understanding that the F-16 could have one or possibly more recorders on it that would record the speed at various points when an aircraft was flying and potentially when it impacted.

There may also have been other ways in which the impact speed could have been estimated, perhaps from the damage to the plane or, in some cases, the needle sticking to the panels of the instruments at the time of impact. But, I believe, that more information on that subject could be extracted from the crash reports themselves. But, I think, whenever we've had a speed that's documented in the report that it's more reliable and more precise than something like a lay witness.

CHAIRMAN FARRAR: Well, you may have figured where I'm going with all this. In a classic case if you have 50 or 60 accidents and they all had flight data recovered, flight data recorders, so we had perfectly reliable evidence on the speed at impact and the angle of impact. Then the Board would have no questions about that and we'd debate other things like which crashes should be included and what kind of curve do you draw to fit all this data.

But if to the extent that the documentation in the reports is based on soft data, I can see more rather than less cross examination and more rather than fewer Board questions. So when we talk about the six witnesses in the two days, this is the first thing that jumps out at me. Anybody have a thought on that?

MR. TURK: Your Honor, this is Sherwin Turk, if I could address the specific issue that you raised.

CHAIRMAN FARRAR: Okay.

MR. TURK: The Staff's report attempts to lay out the basis for each of the different assigned speeds. Now we indicate where the data comes from. We indicate which ones are estimated, which ones are reflected in more or less hard data that the Air Force determined to be correct. I think there is no disagreement between any of the parties on the speed for a particular crash incident that have occurred.

If you look at the final figure in the Staff's report, you'll see the almost remarkable coincidence of the Staff's documented and estimated data with that of PFS. Also through our depositions, we learned that the State does not contest the reasonableness of the speeds that have been assigned

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to the different crash events. So the particular issue that you raise is not one that the parties have identified as being necessary to explore further.

There certainly will be questions that come up, but what we've discovered in the deposition process is where are the differences between the parties' views. As Mr. Gaukler stated early on, the difference really comes down to which crashes should be included in the body of data and which ones should not, i.e. which ones are typical of Skull Valley type events that should be included in the estimation of relevant events and which ones are not relevant.

CHAIRMAN FARRAR: All right.

MR. GAUKLER: Your Honor, I have to add just one other point in terms of your basic question which was the documented impact speeds or basis for impact speeds. There is, in many cases, other documented information from the accident report such as ejection speed and ejection altitude. Based upon those accidents that we have impact speeds, you're able to develop a regression analysis that enables you to estimate speeds based on ejection altitude and ejection speed or one or the other or both. So you have a variety of documented data from the various accident reports which in the reports of General

Jefferson and Colonel Fry, they pooled that together and reviewed it and looked at all the documented data to develop their estimates.

CHAIRMAN FARRAR: All right. Ms. Chancellor, apparently the parties have gathered either from their depositions of Colonel Horstman or from perhaps the absence of your questions of the people you've deposed that you're not going to make a big issue of what the angle and speed was at a particular crash. Is that a --

MS. CHANCELLOR: Your Honor, I don't think you can judge by the questions that came up at the deposition what the scope of our cross examination will be. And without getting into the merits, the reason that the State agreed to this schedule is that there is some cushion in that the next day jet fuel fires and CTB, that may not take the entire day so we could over the two days allocated. So I think that looking at this based on what we know now that we should be able to get through speed/angle ordinance, jet fuel fire and CTB in the time that we have suggested.

CHAIRMAN FARRAR: Let me make sure I understand what you just said. As I've always thought to be the case when you depose somebody, that's for

1 your benefit. If you choose not to ask them then all 2 the questions you're going to ask them at trial, 3 that's your business. Right? Is that what you just 4 said? 5 MS. CHANCELLOR: Absolutely. 6 CHAIRMAN FARRAR: And second -- What you 7 just said, I agree with. The other thing you said I'm not sure I agree with. You tell me we're going to 8 9 make up time on August 11th because we only have three sets of witnesses that day. Now again --10 11 MS. CHANCELLOR: Well, there's not a whole 12 lot in jet fuel fires and CTB. I wasn't suggesting that we should run over, but we made our best estimate 13 14 that we could get through speed and angle and 15 ordinance in two days. But with the possibility that 16 certainly within the three days, we would be able to do all of those items listed. 17 CHAIRMAN FARRAR: Well, I guess I am still 18 19 leery because of the seismic experience where we 20 struggled to do one witness a day and now you're giving us nine in three days. I don't want to be --21 22 MS. CHANCELLOR: Your Honor, if I may. I 23 think the crux of this case is a little different than 24 Seismic. Seismic we had three or four major areas. 25 Here there are two. Where the crux of this is is in

the structural analysis and in the probability part of the hearing.

The other is more a prelude and that's where it's been hard to determine the time allocation which is on the structural analysis and on the probability. We're certainly not willing to push more than what we have to and we feel comfortable with speed/angle ordinance, jet fuel fire and CTB the first three days.

CHAIRMAN FARRAR: Now remember Judge Lam pulled out his calculator a couple of sessions ago and figured a maximum of six hours of hearing a day when you allow for breaks, morning break, lunch break, afternoon break and so you're talking nine sets of witnesses in 18 hours. So I ask that you all in your further conversations bear that in mind.

MR. TURK: Your Honor, this is Sherwin

Turk. May I make another comment on this issue?

CHAIRMAN FARRAR: Yes, certainly.

MR. TURK: I agree with Ms. Chancellor that we can't identify what a party's issues may be based on the questions they ask, but we can identify where we have agreement when the State's principal witness agrees with PFS's angles and speeds of being reasonable. I was not suggesting that because the

State's questioning is going to delve into certain things that they are in agreement, but I do accept when their representative, their witness, states that he's in agreement that we can look at that issue as one that need not be explored further. That's the first point I would make and, in fact, that happened.

The second point I would make is I think now that we're going into the last week of depositions and we're only a short time away from having to file testimony which identifies the issues for the Board that it needs to resolve that it's very fair to ask the State at this time in this conference call to state whether or not it agrees with the statement that both Mr. Gaukler and I made which is that there is no real issue about the angles and speeds of documented incidents. I think it's time for the State to tell us if there is any remaining issues so we know what we have to address in testimony on that issue.

CHAIRMAN FARRAR: Hold on a minute, Mr. Furk. Let's go off the record here for just a second.

(Whereupon, the foregoing matter went off the record at 2:09 p.m. and went back on the record at 2:10 p.m.)

CHAIRMAN FARRAR: All right. We're back on the record.

I guess it's always open to the parties to enter into stipulations about things, if they want to.

But short of that, Ms. Chancellor, do you choose to answer Mr. Turk's question?

MS. CHANCELLOR: No, I don't, Your Honor.

MR. Gaukler: Your Honor, I would like to say something at this point.

CHAIRMAN FARRAR: All right.

MR. Gaukler: One thing, we have foregone motions in summary judgment. It seems to me that various of these issues, such as the CTB, for which the State has no witness, jet fuel fire, which the State has no witness, speeds and angles, for which they've essentially agreed to us would normally be ripe for summary disposition, and we would be entitled to summary disposition wholly apart from whatever cross examination they may plan.

issues, etcetera, I may just make a motion for summary disposition, particularly on some of the issues I think that really should not be litigated. And two of them are -- I really believe are the CTB and jet fuel fire, which, just to report to you, we're going to discuss with the State this Thursday whether we can reach agreement on those issues.

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I feel very strongly that those are issues that do not need to be litigated, that we would save approximately a day of hearing by that process, which might make possible a two-week hearing. That's a whole other matter, totally separate from whether or not we might be able to stipulate those issues away.

I think that with at least respect to those two, where I would have to bring witnesses in, etcetera, I would -- if they don't stipulate, I would ask permission to file a motion for summary disposition along with my prefiled testimony.

CHAIRMAN FARRAR: All right. Let me partially respond to that before I ask the other parties to address it. Number one, we certainly encourage you to enter into stipulations. That would be the far better approach, to the extent that some of these so-called minor issues can be stipulated where there's no real disagreement.

That would certainly be beneficial, because if we could shorten this hearing and get it in weeks. that scheduling in two saves us some difficulties. And the Board -- we said a long time ago the Board had scheduling problems in the next -the two weeks after the two weeks of hearing, but it might be possible if you could convince us that this

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was a -- no more than a 12-day hearing, that we could give you two -- two days of the very next week rather than have to wait two weeks and then juggle around the different events we were concerned about in September.

So anything that would get two issues out of here, save us some time, and put us on a 10- or 11or 12-day track, would certainly be -- it would certainly be useful.

In terms of motions for summary judgment, well, let me -- let me -- well, let me express the Board's -- or let me express my personal view, not speaking for Judge Lam or Judge Abrahamson.

The time that we spent denying motions for summary judgment on aircraft and seismic back in the spring or early 2002 detracted at least from my ability to prepare for the case, and maybe that's what's behind the suggestions the Commissioners have made on occasion that we forego motions for summary judgment.

Now, I felt compelled back in that era, since I was new here, to write a long opinion that explained why summary judgment was being denied. suppose as long as you're not granting summary judgment you can deny summary judgment in a one-word opinion.

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So from that point of view, Mr. Gaukler, I wouldn't discourage you, if you really think you have a summary judgment case, from filing one, knowing you may get just the one-word "denied" back. having said that, it may be faster and may burden the parties and the hearing and the Board less -- if the case is that clear-cut, just put on your witness. And if it's clear-cut, that'll come out in the decision.

You know, we have a fairly aggressive schedule here, not as aggressive as the Company wanted but an aggressive schedule -- once we got the final staff document, an aggressive schedule to get to hearing. Filing a motion for summary judgment, even on a fairly simple issue, takes a lot of time from all the parties, takes the Board's attention.

And before we decide whether to authorize them or not, Mr. Turk, what's your view?

JUDGE LAM: This is Judge Lam. Let me add to Judge Farrar's remarks. Besides the burden to us and to everybody else, the standard for granting summary disposition is very high and should be very high. So whoever is thinking about filing it should keep that in mind.

Gaukler: Ιf I can just make a MR. clarification, Your Honors. I was not suggesting I

would be filing any summary disposition where there was disputed testimony from the other side. You're exactly right; Your Honors have denied that previously.

And I just was stating that in cases where there is no testimony whatsoever from the other side expected, I think in that type of case summary disposition may be appropriate. But I would say let's put that off and see whether or not the State and us can reach stipulation. I think we should be able to stipulate those issues.

Maybe in those discussions the State may identify an issue that does need to go to hearing, which I believe goes to hearing. But right now it's my firm belief that a couple of these issues, where they don't have any affirmative evidence at this point in time, as far as I know still plan to put it in, I don't think we need to go to hearing just with cross examination on that. I think that, you know, there's another mechanism that would be available.

CHAIRMAN FARRAR: And, Mr. Gaukler, on that you're saying jet fuel and, what, the CTB?

MR. Gaukler: Yes. And on CTB I have -I am being very specific when I say CTB. I am saying
the analyzed speed, i.e. the subject of Bruce

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1	Evanston's report.
2	CHAIRMAN FARRAR: All right.
3	MR. Gaukler: Not the probabilities of
4	which action to go in, how that analyzed speed leads
5	to a probability UEP.
6	CHAIRMAN FARRAR: Well, in light of Mr.
7	Gaukler's statement, let's just spend another minute
8	or two on this, because I don't know what the timing
9	of our next phone call will be.
10	But, Mr. Turk, assuming Mr. Gaukler and
11	Ms. Chancellor cannot reach a stipulation, what's your
12	view on the wisdom or appropriateness of opening the
13	floor to motions for summary disposition?
14	MR. TURK: I share the Board's concern
15	that it does take people's time, it takes the parties'
16	time to prepare the motion, to respond to the motion.
17	It takes the Board's time to evaluate it. And that's
18	one reason why you might say, "Let's not do it."
19	On the other hand, I'll tell you an
20	anecdote that I'll probably regret.
21	CHAIRMAN FARRAR: Let's hear it.
22	(Laughter.)
23	MR. TURK: You're inviting me to
24	CHAIRMAN FARRAR: We like those.
25	(Laughter.)
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1 MR. TURK: Inviting me to my own necktie 2 party. 3 (Laughter.) 4 The summer after I finished college, 5 before I went to law school, I took a job as a driver 6 for the Chicago Transit Authority. And I manipulated 7 these 40-foot-long, 40-ton buses through the city traffic throughout Chicago. Some of them didn't have 8 9 power steering. 10 But one of the things that I was trained 11 by the Chicago Transit Authority to recognize is that if I stop to pick up a passenger, I'm going to have to 12 13 stop to let them off. 14 (Laughter.) 15 If I was running behind on schedule, the clear instruction was, "Don't stop; go." 16 (Laughter.) 17 18 If we let in unnecessary testimony, where 19 the parties really have no disagreement, where we can 20 reach a resolution through Board prompting 21 encouragement of the parties to eliminate the issues 22 that need not take hearing time, if we can get rid of 23 those issues, we won't have to spend time on it later dealing 24 with proposed findings, unnecessary 25 questioning, asking the Board to look at the entire

2 have gone to hearing to start with. 3 And I think the Board has a proper role in 4 identifying before we get to hearing, where do we a 5 dispute, and where do we not have a dispute? I would 6 encourage the Board to even eliminate the need to go 7 to summary disposition motions by asking the parties, 8 in a telephone conference call such as this, perhaps 9 not today if the State is not ready to do it today, 10 but to have a conference call in which we eliminate the issues as to which there's no real controversy. 11 12 We'll save time. It'll be to all of our benefit. 13 CHAIRMAN FARRAR: That's well stated, Mr. 14 Turk. Chancellor, do you want 15 Ms. to say anything at this point? 16 17 MS. CHANCELLOR: Yes, I do, Your Honor. As Mr. Gaukler mentioned, we're willing to discuss 18 reasonable stipulations. However, the State has got 19 20 the -- got short-shrift in this hearing from when the 21 Board decided that we would have phase 2 and phase 3. 22 Now you're saying we can't make our case 23 through cross examination -- that Mr. Turk suggests that the Board actually dismiss certain issues. 24 25 I don't see why we have to disclose what our strategy

record and prepare a decision, on issues which needn't

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is in wanting the -- wanting to keep certain issues in that we can't reach a stipulation on.

And with respect to summary disposition, if the Board allows PFS to move for summary disposition, we would ask for an extension of the schedule, because, as you said, it's a fairly aggressive schedule. In addition to what we usually do, we've got key determinations, we've got written rebuttal testimony.

And if PFS and Staff don't want to put in testimony on jet fuel fires and CTB, that's their option. But if they put it in, we want the opportunity to cross examine on it.

MR. TURK: Your Honor, I would take that as an agreement that if the Staff and PFS don't put in testimony, we don't have to address the issue.

CHAIRMAN FARRAR: Well, let's -- well, except the Company has the ultimate burden of proof, and -- well, let's do this. Ms. Chancellor, other than the -- you made some good points there, other than your opening where you said you got short-shrift by not being able to do issue 3 or -- because I think you remember when we ruled issue 3 out at this point we made it clear that we might be ruling it out for all -- while we weren't making a decision, it might be

ruled out for all time, in that if the Applicant and 1 the Staff weren't ready to go ahead that -- that they 2 may have given up their right to come back -- if the 3 4 Applicant loses on issue 2, they may have given up their right to ever hear issue 3. So I'm not sure who 5 got short-shrift on that. 6 7 But putting that to one side -- well, 8 actually, let me recast that statement. I will never concede that anyone got short-shrift from us. 9 10 may have gotten shrift, but it would have been the shrift that --11 12 (Laughter.) -- that they were -- ample shrift that 13 they were due in the circumstances. But putting that 14 aside, let me confer with Judge Lam here. 15 16 Off the record. proceedings 17 (Whereupon, the the foregoing matter went off the record at 18 2:24 p.m. and went back on the record at 19 20 2:26 p.m.) CHAIRMAN FARRAR: All right. Back on the 21 22 record. We think that, given the burden on the 23 parties that summary disposition involves, we are 24 going to foreclose that option, and let's march 25

forward to the hearing on the schedule we now have,

rather than risk disrupting the two weeks in August.

Having said that, I would encourage you

Having said that, I would encourage you very strongly to reach stipulations on matters that don't matter, because if we have 10 or 12 or more days of hearing, let's focus on the issues that are outcome-determinative, and that -- so that we don't spend any resources -- any of us -- on things that really aren't -- are not going to make a difference.

So we would encourage you to move forward with the stipulations, and, in fact, maybe we -- when we talk about setting the next call, if we can be helpful in helping you shape those stipulations, we would be happy to do so.

But, again, I come back to -- and the other day was -- was an excellent example, when you all called and I wasn't here, and you had a problem with witness availability, and you were unable to get me immediately. You reached a very sound solution on how to juggle the deposition schedule, and so forth.

And there has never been a stage of this case that the three of you, and particularly the two of you -- the Company and the State -- notwithstanding the very different positions you have on the merits, have not been able to reach sensible accommodations

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that help us move the wall forward. So we'll count on 1 2 you to -- to do that. 3 MR. Gaukler: We will continue to do that, Your Honor. 4 5 CHAIRMAN FARRAR: Thank you, Mr. Gaukler, and Ms. Chancellor. 6 7 will forward to the Then, we move 8 August 9th hearing. Against my better judgment, I'll 9 accept your representation that we can do nine sets of witnesses with or without stipulations in three days. 10 11 That's -- but I remind you under Judge Lam's calculus 12 that's two hours per set of witnesses, so bear that in 13 mind. Let me just ask a question. 14 I see that 15 we're doing jet fuel fires -- the second part of it -out of order, because the Staff witnesses -- one of 16 17 them is not available until the second week. 18 that argue for moving the Applicant's witness on that subject from the first week to the second week? 19 20 And let me tell you why I ask this. There 21 were some times -- and, again, maybe seismic is a bad 22 example -- where we were doing part 3 of seismic without having done the prerequisites -- parts 1 and 23 24 2 -- and it got a little confusing. 25 Is jet fuel fires so simple that it will

1 not be difficult to have one witness on Wednesday, the 2 11th, take up some other subjects, and then have it --3 the other witness on Monday, August 16th? 4 thinking that's not too difficult a thing to -- for us 5 to do? MR. Gaukler: Your Honor, I think that 6 7 would be the case. I will check -- when we put this 8 schedule together, the reason that Dr. Rampall was the 9 first week was because he was at that time unavailable the second week. I will check with him further to see 10 11 if he's available that second week. And if he is, it 12 certainly would make sense to put him there. 13 CHAIRMAN FARRAR: Yes. I would think -thank you, Mr. Gaukler. I would think, you know, of 14 15 all the issues, this is one that wouldn't be hard to 16 bear in -- you know, carry over in our minds. But to 17 the extent that we can avoid it if possible, let's do 18 that. But if -- if the schedule as you have it 19 20 makes sense, it seems to me that's the only portion of 21 the case that doesn't follow in neat sequence. So we 22 can deal with it if we -- if we need to. I will check with Dr. 23 Gaukler: 24 Rampall.

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Okay.

CHAIRMAN FARRAR:

1	MS. CHANCELLOR: Your Honor, the reason
2	the schedule is fairly appealing is that we we get
3	into the Applicant's analysis of structure the end of
4	the first week. And then we the last week is
5	devoted to the Staff and the State's case and any
6	carryover by the Applicant.
7	And my understanding of jet fuel fires is
8	that it won't take very long to hear that issue, and
9	it shouldn't be too disruptive if we start that first
10	thing on Monday, and then switch back to structure.
11	CHAIRMAN FARRAR: All right. Then, on the
12	parties' representation to that effect, let's leave it
13	that way.
14	Let me ask just a quick question about the
15	Staff witnesses on jet fuel fires, or Staff witnesses
16	generally. At one point, there was a witness list
17	that had a Douglas Ammarman on it, and he has been
18	replaced by Gustavo Aramayo, is that
19	MR. TURK: It's not a direct replacement.
20	One was removed as unnecessary. He was a third author
21	of the Sandia structural report. We are presenting
22	two witnesses from Sandia on their structural report.
23	CHAIRMAN FARRAR: Right.
24	MR. TURK: And they have been deposed. We
25	also introduced two other people. One was Carlos

Lopez from Sandia, who is one of our fuel fire 1 2 witnesses --3 CHAIRMAN FARRAR: Right. MR. TURK: -- from Sandia. He's appearing 4 5 with Dr. Kalan, and we'll put them together with Chris 6 Bajwa from the Staff on fuel fires. We have two 7 reports, one piece of testimony, for those three 8 people. 9 Aramayo comes in on two other issues. He's an LS Dyna expert out of Oak Ridge, and he has 10 11 done analyses. One evaluates the State's first report 12 from September 2003. His other report deals with the CTB. So he is a new witness, but he's addressing two 13 matters which Ammarman did not address. 14 15 CHAIRMAN FARRAR: All right. And am I 16 correct that at every point in the Staff testimony 17 there is always a Staff employee on the stand, never just an outside consultant? 18 MR. TURK: No. Our current contemplation, 19 20 based on how the depositions were handled by the 21 State, is that we'd put Sandia on for its structural report separately from the Staff, although that could 22 23 change. We may put them together with our other three That's 24 witnesses structure. the current on 25 contemplation is that Sandia would appear by itself.

1	CHAIRMAN FARRAR: So that's on the
2	August 16th, the 20th.
3	MR. TURK: Yes.
4	CHAIRMAN FARRAR: So you would have
5	Kalan and Gwinn could be separate from the other
6	three.
7	MR. TURK: Just in terms of the ease of
8	questioning.
9	CHAIRMAN FARRAR: Yes, okay.
10	MR. TURK: Actually, the Bjorkman-
11	Shewmaker report incorporates the conclusions reached
12	by Sandia as one of the legs of their testimony.
13	CHAIRMAN FARRAR: Right.
14	MR. TURK: So we could have just included
15	them on the same panel, but our current thought is
16	that it may be easier for questioning to proceed if
17	Sandia is on the stand by themselves. But we may just
18	keep them all together, Your Honor.
19	CHAIRMAN FARRAR: All right. On
20	August 11th, those three just so I'm clear here
21	no, I'm sorry. On August 16th, the Utah
22	August 16th to 20th, the Utah witnesses. Those, Ms.
23	Chancellor, are on the CTB and the casks?
24	MS. CHANCELLOR: To the extent that they
25	have any rebuttal testimony on the CTB, but the prime

1	locus is on the casks, Your Honor.
2	CHAIRMAN FARRAR: Okay. And you have no
3	then, you have no one on the CTB until they take
4	the stand?
5	MS. CHANCELLOR: That is correct. We need
6	to wait and see what PFS and the Staff file. There
7	may be some criticism of what they file. But in
8	general, our focus there's only so much we can do.
9	So our focus is on the casks.
10	CHAIRMAN FARRAR: Is on the casks. All
11	right. Yes, and I'm not criticizing you. I'm just
12	trying to make sure we understand here what's
13	happening.
14	You've completed
15	MR. TURK: Your Honor, may I this is
16	Sherwin Turk. May I address the last comment from the
17	State?
18	CHAIRMAN FARRAR: Yes.
19	MR. TURK: The way I understood the
20	testimony to be structured is our initial testimony
21	will essentially reflect the reports that we've
22	already filed. And it will address anything that came
23	out in depositions that was not included in our
24	initial report.
25	For instance, if the State's witnesses in

1	their depositions raised new issues that we need to
2	address, we will do that as part of our direct
3	testimony. But the State is now describing a
4	different process. They are suggesting that they
5	would file rebuttal testimony based on what is in our
6	initial testimony on the CTB. That's incorrect.
7	If they have anything to address with
8	respect to what the Staff has done already, or what
9	PFS has done already on the CTB, that should be in
10	their direct testimony.
11	MS. CHANCELLOR: Your Honor, we understand
12	the structure of the procedure, and we will adhere to
13	that.
14	CHAIRMAN FARRAR: Thank you, Ms.
15	Chancellor.
16	MR. TURK: Well, I guess I don't know what
17	that means, Your Honor. I hope we don't have to argue
18	about it later.
19	CHAIRMAN FARRAR: I think let's assume for
20	now that we're on target. I think we've gone over in
21	several of these conferences how what we thought had
22	to be included in your prefiled direct, which was
23	we've said several times was not only your direct but
24	not only your direct about what you thought was
25	good about your case, but also, to the extent you knew

	Te, what you thought was bad about the other side s
2	case. And I think we've said that in several of these
3	calls so far. So we will continue on that
4	understanding.
5	As best I can see, you've completed all of
6	your depositions from the first couple of weeks.
7	You've arrived at a new schedule, which has you in
8	Chicago on the 21st and 22nd, and at Purdue from the
9	23rd to the 26th. There have been no problems at the
10	depositions so far, is that correct?
11	MR. Gaukler: That's correct, Your Honor.
12	MS. CHANCELLOR: That's correct, Your
13	Honor.
14	CHAIRMAN FARRAR: Okay. And do you
15	anticipate being able to finish these in the six days
16	you've allotted yourself?
17	MR. BARNETT: That is correct, Your Honor.
18	We probably believe it will take five, but we've
19	allowed six as extra margin.
20	MS. CHANCELLOR: Your Honor, I wanted to
21	thank Mr. Gaukler and Mr. Turk for being flexible
22	under the circumstances of helping the State out with
23	respect to problems we had with one of our witnesses.
24	And we believe that they should easily be finished up
25	in five days.

1 CHAIRMAN FARRAR: All right. Let's go off the record here. 2 3 (Whereupon, the proceedings in the 4 foregoing matter went off the record at 5 2:39 p.m. and went back on the record at 6 2:40 p.m.) 7 CHAIRMAN FARRAR: We're back on the record 8 after having had a brief discussion about witness --9 any problems that would limit witness availability, 10 and we will just move forward on the basis of that 11 off-the-record discussion. All 12 right. We've talked about 13 stipulations. And you'll be working on those later this week, Mr. Gaukler, and Ms. Chancellor? 14 15 MR. Gaukler: Yes, we will. 16 CHAIRMAN FARRAR: All right. And none of those affect the upcoming depositions? 17 18 MR. Gaukler: No. 19 CHAIRMAN FARRAR: So you'll either arrive 20 at these stipulations or not. Then you'll have 21 depositions, and at the end of those depositions, and 22 after you arrive at stipulations or don't, we'd be in 23 the last week of June, the first week of July, before 24 the holiday. 25 And would we have an idea -- would that be

a good week, or perhaps right after the holiday, to talk at some length about cross examination times and a hearing schedule? I take it we're -- it would be premature to do that now. Well, is it premature to do that now?

MR. Gaukler: It probably is premature to do it now, Your Honor. I put together a proposed allocation of time, which I sent to the State and the Staff this morning -- a little bit later than I had planned, because my computer crashed, but it's out there. And I've gotten some comments back from the Staff, and the State is looking at it.

It might be useful to talk about just some general principles that we may use in developing cross examination -- allocation of time and hearing allocation of time. But the actual dividing it, I don't think would be useful at this point in time.

CHAIRMAN FARRAR: All right. Then why don't you go ahead and --

MR. Gaukler: Why don't I just tell you the basic principles on which I developed what I sent to the State and the Staff, and then we can have some discussion on that. The basic principle upon which I developed what I sent out to the State and the Staff today is based -- premised upon six hours of hearing

time a day, recognizing that in order to do that we probably may end up going from 9:00 to 5:30 on average days.

Just because, you know, if you -- you know, in a perfect world, you get six hours from 9:00 to 5:00. In an imperfect world you probably wouldn't. So I just kind of assumed that we would get six by going from 9:00 to 5:30.

Mr. Turk has suggested six and a half. I think that would -- just on an average basis, that may be too much. So I premise it on six hours a day.

What I've done then is I have gone through, and my idea was I'd try to go from the bottom up in terms of kind of an idea what it would take for each witness, but with an overall allocation of time among the parties. And the allocation I came to, and there may be some discussion between us and the State and the Staff on this, was that minus the time for Board's questioning, and there's an allocation of time for that.

I put it in there, and I'd like to talk with Your Honors about what you would think, just generally. We know you're going to ask the questions that you need to ask whether it takes five minutes or an hour. But just in terms of our planning our time,

Ţ	what you may think would be a reasonable allocation.
2	But putting that to one side, I assigned
3	the State 45 percent of the time, PFS 30 percent of
4	the time, and the Staff 25 percent of the time.
5	CHAIRMAN FARRAR: That's total time for
6	the whole hearing.
7	MR. Gaukler: Total time for the whole
8	hearing, and my table includes direct. My table
9	envisions that, you know, when you put your direct
10	filed testimony on you would have the direct, the
11	prefiled rebuttal, plus any surrebuttal to the filed
12	rebuttal.
13	CHAIRMAN FARRAR: Hold on a minute, Mr.
14	Gaukler. So you had the State 45 percent, PFS 30
15	percent?
16	MR. Gaukler: And the Staff 25 percent.
17	CHAIRMAN FARRAR: Staff 25 percent. And
18	the reason the State gets more than you is they have
19	fewer witnesses, and they have more of your people to
20	cross examine than you have of theirs?
21	MR. Gaukler: That's correct. That's
22	correct.
23	CHAIRMAN FARRAR: Okay.
24	MR. Gaukler: That's the basis of the
25	allocation, and so the you know, there's no
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that's the reason for the allocation, yes. 1 2 CHAIRMAN FARRAR: Right. 3 MR. Gaukler: So their cross examination time would take more than our direct and redirect 4 5 time. MS. CHANCELLOR: As Mr. Gaukler mentioned, 6 7 Your Honor, we haven't really started to talk about 8 this. But there are so many more reports that have been submitted by the Staff and PFS as compared to 9 what the State is -- is going to submit that we need 10 to look seriously at the -- at the split that Mr. 11 Gaukler has allocated. 12 But what Paul has done is really helpful 13 in determining whether we can actually get through 14 certain witnesses in the time that we have allocated. 15 And by breaking it down into direct, redirect, 16 etcetera, it really helps you see whether you can, for 17 example, get through jet fuel fire and speed and angle 18 19 in two to three days. 20 CHAIRMAN FARRAR: All right, then. Mr. Gaukler, are there any more principles that are in 21 there that you want to --22 MR. Gaukler: The one I did want to touch 23 base with Your Honors was the -- kind of the amount of 24 time that would be reasonable to allocate across the 25

1	board, just for timing purposes, for Board questions.
2	To give Your Honors an idea, my total hearing time, I
3	have assumed 11 days, based upon 11 days, based on the
4	principle that to get rid of CTB and jet fuel fire,
5	that would leave us with 10 days and two weeks of
6	hearings.
7	Based on 11 days of testimony, I have 66
8	days of hearing time total. And also I had allocated
9	six hours to Board questions, across the board, which
10	is roughly about nine percent.
11	CHAIRMAN FARRAR: Has anyone undertaken
12	the dismal task of reading through the Salt Lake
13	record and seeing what proportion of time was taken up
14	with our questions?
15	MR. Gaukler: We haven't done that. We
16	might be able to do a quick review of that.
17	CHAIRMAN FARRAR: My impression is that's
18	on the low side.
19	MR. Gaukler: Okay.
20	CHAIRMAN FARRAR: And while Judge Klein
21	was a very good judge, and very helpful to Peter and
22	me, both in thinking about the case and writing the
23	opinion and all manner of ways, he asked relatively
24	few questions compared to Peter and me.
25	You all don't know Judge Abrahamson as

well as I do, but I would be willing to bet a large sum of money that he will ask more questions than Judge Klein did. Now, of course, that may -- his questions may make it unnecessary for Peter and I to ask questions. That may not be additional time. It may be just shifting the same amount of time.

But somehow nine percent seems -- and, I mean, nine percent is five minutes an hour. And I -- I don't remember that we were ever quiet for an hour and didn't have a lot of questions.

Go ahead. Judge Lam has something.

JUDGE LAM: My memory tells me roughly on a six-day trial -- six hour per day trial, the Board probably spends close to an hour in its questioning. That would be 16 percent instead of nine percent.

MR. Gaukler: Okay. That's useful, Your Honor. I will doublecheck, just for a reference, so that we can --

CHAIRMAN FARRAR: Now, Mr. Gaukler, before you do that, I agree with Judge Lam's recollection. Now, it may be that the Board time would be cut down by this notion that your prefiled direct has some of your rebuttal, because a lot of our questions are challenging people. You know, why do you think that? Or have you thought about this? And if you've already

got that kind of commentary in your prefiled rebuttal, 1 that may make it -- you know, that may make us able to 2 3 be more restrained, because we know that the kind of 4 questions we have in mind are going to be addressed. 5 So the new techniques we've adopted here 6 may have the benefit of reducing Board questions, but 7 -- maybe I'm like Mr. Turk and I'll wish I hadn't said 8 this -- but limiting us to five minutes an hour, I 9 don't see that happening. 10 MR. Gaukler: Okav. 11 MR. TURK: Your Honor, if it's consolation, one of the issues I raised with Mr. 12 13 Gaukler, is I didn't think he had allotted enough time 14 for Board questioning. That is correct. 15 (Laughter.) CHAIRMAN FARRAR: We'll take that as a 16 compliment, I think. 17 18 (Laughter.) I will doublecheck what 19 MR. Gaukler: 20 we've done in the past. We think that we can easily I do think Your Honor is correct that the new 21 22 process that we follow -- that we are following here 23 should help Your Honors in terms of: a) asking a lot of questions you may have asked previously in terms of 24 25 it being addressed in the -- either in the prefiled

1	rebuttal or maybe even in the surrebuttal that we
2	would tack on at the end of our introducing those
3	testimonies, where we address anything new that was
4	raised in the rebuttal directly as opposed to wait
5	until like we did in Salt Lake City, at the very
6	end of the case.
7	CHAIRMAN FARRAR: Right.
8	MR. Gaukler: At the very end of a topic.
9	CHAIRMAN FARRAR: Well, let's do this.
LO	Let's I think follow Judge Lam's suggestion and give
L1	us, you know, 15 percent of the time instead of nine
L2	percent. And if we don't use it, then that's
L3	that's fine.
L4	MR. Gaukler: Okay.
L5	CHAIRMAN FARRAR: Now, you say you've
16	circulated, Mr. Gaukler, your proposal there to the
ا 7	State and the Staff, and you all will be talking about
18	that over the next few days or after depositions.
ا وا	When will you be doing that?
20	MR. Gaukler: I haven't set that up with
21	the counsel for the State or the Staff. We could do
22	it either way. I don't know. We haven't decided that
23	yet. Do we want it would be one or the other, Your
24	Honor.
25	CHAIRMAN FARRAR: Okay. Let me ask you

I take it by the time we get to the hearing, 1 while the Staff may be -- may have different reasons 2 3 for its conclusions than the Applicant does, the Staff is fully supportive of the Applicant position on all 4 issues. Is that correct, Mr. Turk? 5 6 MR. TURK: Yes, it is. 7 CHAIRMAN FARRAR: All right. So, then, 8 for purposes of fairness to the State, as we've suggested before, we don't have three parties so much 9 as we have two sides. So keep -- you know, keep that 10 in mind, which, Mr. Gaukler, I think your numbers 11 12 attempt -- already attempt to do. But keep that in mind. 13 Hold on a second. We won't go off the 14 15 record, but just give me a moment here. (Pause.) 16 All right. Cindy has returned -- Cindy 17 Harbaugh, the NRC's physical security person. And she 18 19 has come up with some information back on the subject of war rooms and safes that we were discussing at the 20 21 beginning of the conference, so I'll turn the floor over to her. 22 23 MS. HARBAUGH: As I previously said, the possibility of a controlled access building possibly 24 25 would be permissible. The regulations do not

absolutely preclude that. It would be determined by, you know, what those physical measures are, etcetera. I don't think that the regulations -- that it's really the intent that it would be an offsite situation. But we could continue to pursue that.

However, of course, what also needs to be taken into consideration is our staff time in evaluating whether or not those facilities would be adequate, etcetera. So in the interest of all of that, we are going to attempt to pursue a different angle that I think you'll find very much to your liking, but I need to ask a couple questions along the lines.

I'm not offering this at the moment, but it's something that we're trying to address for you -- is the possibility of the NRC providing for the parties security containers owned by the NRC -- GSA-approved containers for your use and offsite for the duration of the hearing to be held here in Rockville.

That would give us a closer fit to the regulations, in that we have -- the Staff has come to an agreement, both Bern Stapleton and his management, and myself and my management, that as we discussed previously for your war room situation that a GSA-

approved security container and leased space for your war room would be acceptable storage.

Thereby, if we provide you those containers for your temporary use, as long as all of the parties have the same rights and privileges, I doubt that anybody would complain.

Again, I've checked our inventory, and I think this is a possibility. I do have to confirm with my management that this is an acceptable approach, if you would like me to pursue that angle. I guess my questions to you would be: how many safes does -- do you perceive us to need to be able to provide? And not knowing what your scheduling here was, what kind of timeframe would you envision having to have possession of those safes?

And if you're willing to, for the use of the safes, provide for your own transport, that being pickup from our warehouse here in Rockville, delivery to your site, wherever that might be here within the area during the use -- or for the use during the hearing, return of that safe back to our warehouse at your cost, and any repairs to the safe at your cost, should they be necessary as a result of your use.

JUDGE LAM: If you break it, you own it.
(Laughter.)

NEAL R. GROSS

1	MR. Gaukler: That sounds like a very good
2	idea to me. Paul Gaukler for PFS. But I think that
3	would enable us to go to a hotel, whatever we find
4	best, without concern for whether something would be
5	considered controlled access or not. So I would be in
6	favor of that, certainly, Cindy.
7	CHAIRMAN FARRAR: Ms. Chancellor?
8	MS. CHANCELLOR: Cindy, I think that's
9	wonderful. We'd be delighted to do that. I assume
10	that your warehouse is in the Rockville area, not, you
11	know, someplace out of state.
12	MS. HARBAUGH: It's two blocks from our
13	headquarters building.
14	CHAIRMAN FARRAR: All right.
15	MS. CHANCELLOR: Thank you. And I think
16	that would be a great suggestion to pursue.
17	MS. HARBAUGH: How many safes would be
18	required for each of your use?
19	MS. CHANCELLOR: This is the State. I
20	think we would if you had a four-drawer safe, we
21	would need one.
- 1	
22	MS. HARBAUGH: Well, how about a five-
22	MS. HARBAUGH: Well, how about a five-drawer safe?

1	MS. HARBAUGH: Okay. And PFS?
2	MR. Gaukler: I think the same thing for
3	us. I was going to say four-drawer myself, but five-
4	drawer will be better.
5	CHAIRMAN FARRAR: And I think Sharon had
6	made it Sharon Marks Perini of our staff had made
7	it clear that in your three little conference rooms
8	here off the hearing room we would have the five
9	you know, the locking file. And documents could be
10	left there
11	MS. HARBAUGH: Yes.
12	CHAIRMAN FARRAR: overnight, because
13	that's the same thing we do here, and those would be
14	controlled.
15	MS. HARBAUGH: It's controlled, yes.
16	CHAIRMAN FARRAR: So you wouldn't need to
17	have you know, that you wouldn't need to have
18	everything fit in your safe if there were things you
19	could leave here.
20	MS. HARBAUGH: Does the NRC Staff have
21	objection to us pursuing this for the other parties?
22	MR. TURK: Not only do I have no
23	objection, I encourage you to do it. I think it's a
24	wonderful solution, Cindy.
25	MS. HARBAUGH: Okay. Again, I'll have to

1	confirm with my management, but I am certain that
2	they'll back this position. And we I'll be back in
3	touch with you to pursue your signing for them and the
4	arrangements for pickup, delivery, and so forth.
5	CHAIRMAN FARRAR: Cindy, the timeframe
6	we're dealing with here is they won't you know,
7	they won't need them until they get here, which will
8	be the 5th or 6th of August. But if you don't have
9	them, then they need to know right away, because they
10	have to then get back and try to find
11	MS. HARBAUGH: We have the safes. I just
12	need to get the permission to release them, which I'm
13	certain I'll be able to obtain.
14	CHAIRMAN FARRAR: Okay. See if you can do
15	that
16	MS. HARBAUGH: Post haste.
17	CHAIRMAN FARRAR: post haste, and
18	we'll
19	MS. HARBAUGH: And for what duration are
20	we talking about at this point?
21	CHAIRMAN FARRAR: From early August.
22	Well, certainly for the two weeks of August 9th and
23	August 16th. But we may go the following week.
24	MR. Gaukler: You'd probably want to start
25	the previous weekend or Friday.

1	CHAIRMAN FARRAR: Yes, start on Friday,
2	the 6th. And if you can get them, go through
3	September 10th. Although we will know before then
4	that maybe we'll need them for a shorter time, or that
5	we could give them back for a while and then reclaim
6	them. So
7	MS. HARBAUGH: That kind of temporary
8	inventory loss for us is permissible, like I can work
9	around that, I believe.
10	CHAIRMAN FARRAR: Yes.
11	MS. HARBAUGH: In other words, I couldn't
12	have them not available from inventory for much longer
13	than that, but that kind of
14	CHAIRMAN FARRAR: Well, for now, let's
15	shoot August 6th to September 10th.
16	MS. HARBAUGH: Okay.
17	MR. TURK: Cindy, is it easier for you if
18	you made it two separate requests, like August 6th to
19	August 24th, and then start again in September, if
20	needed?
21	MS. HARBAUGH: No. I'd rather plus,
22	there is a cost incurred by the other parties for
23	transport as well. And as long as we're talking, you
24	know, a month, five weeks kind of timeframe, from
25	delivery to redeposit at the warehouse, I'm certain we

1	can work with that.
2	MR. TURK: No. But that assumes, however,
3	that the other parties would be renting whatever space
4	the container would be stored in throughout this
5	period of two or three weeks that we're not in
6	hearing. I would say maybe to be flexible that it
7	should be set up for two separate sessions during that
8	perhaps a six-week period of time.
9	CHAIRMAN FARRAR: Why don't we do this.
10	Let's reserve them for that whole period.
11	MS. HARBAUGH: Yes.
12	CHAIRMAN FARRAR: And then if we need to
13	do a give back and take back, we'll arrange that
14	later. But for purposes of your management, they will
15	be missing for those five weeks.
16	MS. HARBAUGH: Right. And the parties
17	the State and PFS recognize that the cost for
18	transport of those safes both directions will be your
19	cost to be incurred.
20	MS. CHANCELLOR: Yes. And we understand
21	there's a hefty charge for transportation. We already
22	have those costs, and we're prepared to pay those.
23	MS. HARBAUGH: Okay.
24	CHAIRMAN FARRAR: Well, Cindy, thank you.
25	You were of great help to us in our last call, and we
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2	so quickly and resolving a problem for us. So thank
3	you again.
4	All right. We were I think we had
5	finished talking about the time allocations and gave
6	you our thoughts on the principles to include in that.
7	I'm beginning to think that, well, if you arrive at
8	your stipulations, that we might be down to the 12
9	days that would let us do it all at once you know,
10	10 days from the 9th to the 20th of August, and then
11	maybe two days I don't know if that would Ms.
12	Chancellor, if we started again on Tuesday suppose
13	we went to Friday, August 20th, and started again at
14	Tuesday, noon, the 24th. Would you all go home?
15	MS. CHANCELLOR: Probably not, Your Honor.
16	CHAIRMAN FARRAR: All right.
17	MR. Gaukler: One thing I do need to check
18	is Dr. Cornell and his availability for that week. So
19	
20	CHAIRMAN FARRAR: All right. That's why
21	we wanted to tell you now. For now, think of Tuesday
22	noon to Thursday noon as a possibility.
23	MS. CHANCELLOR: Your Honor, we haven't
24	we need to check with Dr. Frann also, because I had
25	previously told him he wouldn't be needed until after
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appreciate your initiative here in getting this done

1	Labor Day. So Tuesday, noon, the 24th, through
2	Thursday, the 26th?
3	CHAIRMAN FARRAR: Right. Now, if that
4	doesn't work for your witnesses, fine, and we may not
5	you know, we may realize this is a 15-day hearing,
б	not a 12-day hearing. And if it is, we'd rather send
7	you home, not do anything that week, and, you know,
8	come back after Labor Day and, you know, pursue things
9	then.
10	So, but we wanted to give you that
11	additional option, if, in fact, the hearing were to be
12	as short as 12 days.
13	I will say from my own point of view you
14	all have been eloquent about how simple these issues
15	are. And Mr. Gaukler has done his you know, doing
16	his proposal, and so forth. But I am I am not yet
17	convinced we can do, for example, the nine witnesses
18	in the nine sets of witnesses in the three days.
19	But I admire your efforts in trying to winnow this
20	case down and get it as manageable as possible.
21	Is there anything else
22	MR. TURK: I have one suggestion, Your
23	Honor. This is Sherwin Turk.
24	CHAIRMAN FARRAR: Yes.
25	MR. TURK: You had mentioned at one time

1	the possibility of having another telephone conference
2	call.
3	CHAIRMAN FARRAR: Oh, right.
4	MR. TURK: I think it would be a good idea
5	if we if we do that perhaps the week of June 28th,
6	because we're due to file testimony on July 12th,
7	which is just two weeks after we conclude depositions.
8	If there is anything we can do to narrow issues down,
9	that would be the time to do it, during that last week
10	of June before we finalize testimony.
11	CHAIRMAN FARRAR: All right. Before we
12	have that call, you all need to talk about
13	stipulations, which you're going to do this week.
14	MR. TURK: Right.
15	CHAIRMAN FARRAR: Talk about cross
16	examination time limitations, which if you don't do
17	this week you certainly won't do during the week of
18	well, maybe I don't know. Is there down time when
19	you all get together during the depositions?
20	MR. Gaukler: There is. There's always a
21	chance that we can talk some time during the
22	depositions. I would suggest that we set a conference
23	call for June 30th.
24	CHAIRMAN FARRAR: How does that that
25	would give you a couple of days to recover from the

1	depositions and do any last-minute business. Does
2	that make sense to everybody?
3	MS. CHANCELLOR: Your Honor, we've got a
4	brief due to the Commission that day on E.
5	MR. TURK: I wouldn't mind making it
6	either a day earlier or a day later. That was just a
7	suggested date.
8	CHAIRMAN FARRAR: Let's do it later. Ms.
9	Chancellor, I take it it would be easier to do later?
10	MS. CHANCELLOR: Yes, it would, Your
11	Honor.
12	CHAIRMAN FARRAR: Rather than then let
13	Mr. Gaukler, is 1:30 wait a minute. Let's do
14	let's move it up. Let's do 11:30 on Thursday,
15	July 1st.
16	MR. Gaukler: That sounds good, Your
17	Honor.
18	CHAIRMAN FARRAR: It's 11:30 here, 9:30
19	Mountain time, do a conference. And there we'll hear
20	about much more about the cross examination time
21	limits. We'll see if you were successful on the
22	stipulations. We will then be able to predict the
23	hearing length.
24	You'll know your witness availability for
25	those that week right after August or right
5	1

after the two weeks we have scheduled, and perhaps we 1 2 can put a final hearing schedule together. 3 would then have your testimony 11 days after that. 4 All right. That sounds like a plan. 5 MR. TURK: Thank you, Your Honor. 6 CHAIRMAN FARRAR: Thank you, Mr. Turk. 7 Anything else anyone needs to bring up? 8 MS. CHANCELLOR: have minor one 9 procedural point, Your Honor. There's no real time 10 limit set for responding to motions in limine that are 11 filed FedEx. I'm assuming that it is 10 days from receipt rather than 10 days from mailing. 12 13 one against the Staff yesterday -- I don't know if you 14 received that yet -- and we expect to file another one 15 against PFS. And they both would be -- we'd treat 16 them as safeguards. The parties would get them and 17 the Board would get them the next day. 18 So the question is: should we assume 10 19 days for response time when a document is served 20 FedEx? 21 CHAIRMAN FARRAR: Yes. Before we get to 22 that, we have the Applicant -- okay. The Applicant filed -- I'm sorry, I had this on my mental agenda. 23 24 I'm glad you mentioned it. We got -- the Applicant 25 sent us a motion that was not safeguards on June 9th.

1	And so, Ms. Chancellor, you need to know
2	when you reply to that.
3	MS. CHANCELLOR: No. With that one, I'm
4	treating that the because it was not safeguards,
5	I'm treating that as responding to that 10 days from
6	when the e-mail came in. And with the weekend, that
7	makes it June 21st. However, I think our response may
8	have to be treated as safeguards, so I would send it
9	out FedEx on the 21st, and you would get that on the
10	22nd. And that's under our that's how our normal
11	procedures work.
12	CHAIRMAN FARRAR: Yes, that's fine. But
13	how aren't you supposed to be in depositions on the
14	21st?
15	MS. CHANCELLOR: I'll be holding the fort.
16	CHAIRMAN FARRAR: Oh.
17	MS. CHANCELLOR: I'll be back here in Salt
18	Lake. I can file it.
19	CHAIRMAN FARRAR: Oh, okay. So that will
20	be you'll file that by FedEx Monday, the 21st.
21	MS. CHANCELLOR: Yes. And the parties
22	everyone would receive that on the 22nd.
23	CHAIRMAN FARRAR: Okay. I guess, then, we
24	could all right. Now
25	MS. CHANCELLOR: So my question is: a

1	document that is a motion that's sent out FedEx,
2	not not e-mail
3	CHAIRMAN FARRAR: Like your we got your
4	motion well, all we got today was your cover
5	letter, and that's all the Applicant got by
6	MS. CHANCELLOR: You should be getting a
7	FedEx delivery today with the actual motion in it.
8	CHAIRMAN FARRAR: Right. But this was
9	sent last I see. The letter was yesterday. The e-
10	mail was today.
11	MS. CHANCELLOR: No, the e-mail was
12	yesterday. It will be today.
13	MR. TURK: Your Honor, that's a motion
14	directed to the Staff.
15	MS. CHANCELLOR: Right.
16	MR. TURK: We have not received it yet,
17	although it could be in our mailroom by this time. I
18	don't know.
19	MS. CHANCELLOR: It was sent out FedEx
20	yesterday.
21	MR. TURK: What the State is asking
22	essentially is: when would the Staff's response to
23	that motion be due?
24	CHAIRMAN FARRAR: Yes.
25	MR. TURK: We will be in depositions
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there are two of us working on this case right now --1 Laura Zaccari and myself. We will both be 2 3 depositions -- we're both conducting depositions next week, and will be in attendance the full week in 4 5 Chicago and Indiana. Our response time normally would be б 7 Monday, the 28th, under a 10-day rule. But we won't be able to do that because of the depositions. 8 9 would ask that we be allowed to respond on July 1, at 10 least by July 2. 11 CHAIRMAN FARRAR: Okay. The only thing I 12 was thinking of is, could we use that conference call on the 1st for oral argument on the motions? Or maybe 13 14 that's trying to squeeze too much in. We'll hold that 15 idea, then. If we're not going to do that, Ms. Chancellor, do you have a problem with the Staff 16 17 having 'til Friday, the 2nd? Or would you -- you said 18 the 1st, Mr. Turk, or --MR. TURK: Right. We would file on the 19 20 1st, which would essentially be a three-day extension of time to allow us to draft our response after we get 21 back from depositions. 22 CHAIRMAN FARRAR: Ms. Chancellor, is that 23 24 all right? 25 MS. CHANCELLOR: Well, their response was

really due on the 25th. That's fine, Your Honor, 1 provided that you -- if you think you can make a 2 3 ruling before prefiled testimony is due. CHAIRMAN FARRAR: Oh, right. 4 Right, 5 right. The 12th. 6 MS. CHANCELLOR: 7 CHAIRMAN FARRAR: Well, let's talk about these motions. Let's start with the Applicant's. Mr. 8 9 Gaukler, you're saying here that the State is trying to reargue a point that's -- that we already decided. 10 11 Let me ask you, just so I understand where 12 we're headed with all these, if the Commander of Hill Air Force Base says, "All right. My boys and girls 13 are trained. I don't need to send these F-16s down 14 15 there anymore. We're only going to have 1,000 of them next year," you would be in here with, what, a motion 16 17 to reopen? What would you come in with? You're saying that the State can't reargue 18 19 something, but there are circumstances where you would 20 be rearguing things, right? I mean, if Hill Air Force Base had 1,000 flights next year instead of 7,000, I 21 22 take it we would hear from you on that. MR. Gaukler: We believe we would be able 23 24 to do that, yes, Your Honor, based on new information 25 and new circumstances.

1	CHAIRMAN FARRAR: Okay. So you are saying
2	here that they are rearguing it without any they
3	may have a new a new way of looking at it, but
4	there's no new information.
5	MR. Gaukler: That's right, Your Honor.
6	Basically, we're saying that they've the issue was
7	before the Board before. In fact, we've kind of
8	argued some of the same issues or related issues in
9	the context of the Board's ruling on the probability
10	impact.
11	MR. BARNETT: And, Your Honor this is
12	Mr. Barnett. Moreover, a party cannot simply come in
13	and make a new argument whenever it believes that it
14	has new information. It's got to go through the
15	appropriate process for doing that.
16	CHAIRMAN FARRAR: All right. So then it's
17	incumbent on the State either to point out why what
18	you just said is wrong or to tell or to seek leave
19	to include this on the basis that it's the kind of new
20	information that justifies the Board taking a new
21	look. Is that your
22	MR. Gaukler: Yes, Your Honor. That's
23	correct.
24	CHAIRMAN FARRAR: Okay. And I'm not
25	I'm just thinking aloud here, because I want to make

sure that as these different motions come in we
everyone is on the same wavelength in terms of meeting
the issues in their briefs.
Ms. Chancellor, you said you were going to
file another one against the Applicant?
MS. CHANCELLOR: Yes. It deals with the
I can tell you the general subject matter. It's
similar to the motion that PFS filed against us, and
it's a question of res judicata and what are the
characteristics of flights in Skull Valley for
purposes of the database of of aircraft flight
characteristics in Skull Valley that we should be
looking at at this phase of the hearing.
CHAIRMAN FARRAR: I'm glad you said that,
because much earlier in this conference when we talked
about that and someone said, "What are the Skull
Valley flights?" my I thought to myself, "Didn't we
already decide? Didn't we spend a lot of time
deciding what are the Skull Valley flights?"
MS. CHANCELLOR: Yes. That's our
question. That's the subject of our motion.
CHAIRMAN FARRAR: Okay.
CHAIRMAN FARRAR: Okay. MS. CHANCELLOR: Or it will be the subject

1	when you'll be filing that?
2	MS. CHANCELLOR: I will try to get it out
3	this week, but I may not get it out until the 21st
4	when we respond to PFS's motion, because there will be
5	some crossover in terms of discussing res judicata
6	case law, etcetera. So I imagine that I would have it
7	out by the 21st.
8	CHAIRMAN FARRAR: Is our life going to be
9	easy that either you both win or you both lose?
10	MR. Gaukler: We would think not, Your
11	Honor. We believe that the State has a wrong idea.
12	CHAIRMAN FARRAR: Okay.
13	MR. Gaukler: With respect to UEP, and we
14	will be responding to the motion, and we will be
15	and in response to that motion, we will probably have
16	the declaration of Dr. Cornell or, alternatively, we
17	could respond to the motion when we file our testimony
18	and include an explanation why the motion is
19	inappropriate in his testimony.
20	CHAIRMAN FARRAR: Well, all right, I'll
21	leave that to you. I guess it would be nice if we had
22	all three of these wrapped up before you filed your
23	prefiled testimony. But I guess if we don't, you'll
24	just file it and we'll X it out
25	MS. CHANCELLOR: If we filed on the 21st,

PFS would get the motion on the 22nd, which would make their response due the 2nd -- Friday, the 2nd, unless they needed an extension, 2nd of July.

CHAIRMAN FARRAR: All right.

MR. Gaukler: That would be no problem here, since given the nature of the motion I know we are going to be using Dr. Cornell as the declarant.

And Dr. Cornell is out of the country for about --starting June 25th or June 26th for about 10 days.

And both Mr. Barnett and I will be in Salt Lake City. We will certainly have a chance to work with Dr. Cornell when we get the motion from the State, and we have to make arrangements to have it served on us in Indianapolis or Chicago. But I don't see how we would be able to finalize it -- our response when we're outside of the office.

CHAIRMAN FARRAR: Let me ask you this. If we could decide the -- I'm looking at the calendar. If we were able to decide these by July -- Thursday, July 8th, that would then give you the opportunity to electronically, you know, remove it from your prefiled testimony. Is that important? Or should we just take more time, make sure we make the right decision, you file your testimony with the challenged material in it, and we'll just X it out, or is it non-severable?

MR. Gaukler: I would vote for the latter where we file the testimony with the material in it. As it turns out, our response is going to be integrally intertwined with our testimony. We would have to maybe redo the testimony or X it out, and we might think of structuring the testimony so that it would be easy to X it out if Your Honor were to rule against us.

But given the time constraints that Dr. Cornell has, I would rather on that motion have Your Honors wait until you have the testimony on the record.

MR. TURK: May I also respond, Your Honor?
This is Sherwin Turk.

CHAIRMAN FARRAR: Yes. Yes, go ahead.

MR. TURK: I think that the issue the State is going to raise in its motion -- first of all, it's something that the State has alerted both PFS and the Staff to through the course of depositions.

The issue that the State seeks to raise I don't think you've heard yet. As I understand that issue, the State contends that only certain flights, which include ejections above 2,000 feet above ground level, should be considered in the database. They seek to exclude consideration of any actual events

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that have occurred or ejections that took place below the recommended 2,000 feet minimum AGL level.

That's the essence of the motion that they will be filing. That theory is certainly different from anything that PFS or the Staff used in their assessment of Skull Valley type events. And if the Board was to agree with the State, that would cause a need for both the Staff and PFS to rework their probability assessments, to show the fundamental change in what we believe to be the proper database.

And I think the best way for you to consider that motion is to not rule on it before testimony comes in. But, rather, if the State wants to pursue that theory, consider that along with the testimony. If you decide to grant that motion, I think we'll then have to revisit all our testimony.

CHAIRMAN FARRAR: Okay. So if we -you're suggesting -- let me see if I follow this.

That if we grant the State's motion, then that affects
all your calculations, so that would mean you redo
your testimony. But I assume if you redo your
testimony, other than just by X'ing out some
extraneous matter, you redo the substance of your
testimony, then we don't have an August 9th hearing.

MR. TURK: You couldn't simply X out. In

1	other words, the motion is so fundamental to the
2	theory of the case
3	CHAIRMAN FARRAR: Right.
4	MR. TURK: that it would require you to
5	reset the hearing schedule.
6	CHAIRMAN FARRAR: All right.
7	MR. TURK: There's no way if you
8	granted that motion in the few days before testimony
9	is filed, there's no way that we could simply file
10	revised testimony on the current schedule.
11	CHAIRMAN FARRAR: Now, is this both of the
12	State's motions, or just the one directed the one
13	that we haven't seen?
14	MR. TURK: That's my understanding of the
15	State's motion directed towards PFS, and I would also
16	like to address what I understand to be the motion
17	they are filing against the Staff, which we haven't
18	seen yet, but which we have discussed in theory. So
19	that's only the motion that I believe they are filing
20	against PFS.
21	MR. Gaukler: Before Mr. Turk goes on to
22	the other motion, I would say that our testimony may
23	be structured that we could excise it. I don't know.
24	We haven't done that yet, so
25	JUDGE LAM: Now, this is Judge Lam. Ms.
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Chancellor, did Mr. Turk accurately describe the pending motion before us?

MS. CHANCELLOR: It's not pending, but it will be. And, yes, it will have a fundamental effect on the probability analysis. And PFS's motion against the State with respect to ordnance won't have as great an impact, but it will have some impact on the State's probability report. So, yes, Mr. Turk is correct in terms of -- of not just a simple X'ing out of testimony.

CHAIRMAN FARRAR: All right. Well, then, given the significance of it, we will -- we will not attempt to have a ruling before you file your testimony. You'll file your testimony. We will then -- maybe we'll have to have another call and have an oral argument on the telephone about it, if the motion seems difficult or if we need -- if any of the motions seem difficult or if we need additional information or have a few questions.

And so we would have to -- we would probably do that maybe the day after you do your key determinations. Or maybe -- no, maybe we could -- Mr. Gaukler, when were you suggesting you would be able to get your reply to the State motion that you haven't seen yet? When would you be looking to file that?

1	MR. Gaukler: Since the testimony of Dr.	
2	Cornell will be an integral part of our reply, I was	
3	basically suggesting that we would the best thing	
4	probably would be to reply when we file our testimony.	
5	So then we would have the testimony of Dr. Cornell	
6	that would address the substance of it of the	
7	State's claim, and might have a separate paper arguing	
8	the law, etcetera.	
9	CHAIRMAN FARRAR: Okay. So that would be	
10	July 12th. Then I guess we might want to try to hold	
11	an oral argument on the 15th.	
12	MS. CHANCELLOR: Your Honor, that is a 10-	
13	day extension of time that Mr. Gaukler is asking for	
14	to file the response to what is essentially a legal	
15	issue.	
16	MR. Gaukler: It's not a legal issue,	
17	because we it's integral, and we will be relying	
18	extensively upon Dr. Cornell to explain why the	
19	State's rationale is incorrect.	
20	CHAIRMAN FARRAR: But wait. Ms.	
21	Chancellor, so you're saying if you file that the	
22	21st, his time would ordinarily be	
23	MS. CHANCELLOR: He would have to file by	
24	the 2nd. I mean, if he's going to take all that time,	
25	I may take a little more time to write the motion. I	

was trying to accommodate everybody by filing it 1 2 early. 3 CHAIRMAN FARRAR: Okay. 4 MR. Gaukler: I guess I would not normally 5 need that time, Your Honor. But Dr. Cornell is going to be out of the country, and I don't have his exact 6 7 dates in front of me at this point in time. 8 CHAIRMAN FARRAR: Well, then --MR. Gaukler: I need the time. 9 10 CHAIRMAN FARRAR: Ms. Chancellor, because of Dr. Cornell's absence and the depositions, then --11 12 and I don't want to be in a position of giving the Company -- or making it appear that one side is 13 getting more of an extension than the other. 14 You 15 might want to take more time in filing the motion. 16 MS. CHANCELLOR: Right, Your Honor. I'11 17 take that into account. 18 CHAIRMAN FARRAR: Okay. Can't tell you what to do, but if -- if we don't need a decision 19 . 20 before July 12th, then give yourself, you know, the time that you need to do it. But let's -- let's 21 tentatively reserve 1:30 on Thursday, the 15th, for an 22 23 oral argument -- telephonic oral argument on the motions in limine. 24

The reason I say that is maybe we could --

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1	Mr. Gaukler, you said you'd include it on the 12th.
2	We won't get it until the 13th, though, right?
3	MR. Gaukler: Yes. I may be able to I
4	don't have Dr. Cornell's availability in front of me.
5	I know I had enough time to do his testimony before he
6	came back you know, to have his testimony in draft,
7	and then have him look at it and finalize it. I know
8	I had enough time there.
9	I just don't know if the amount of time I
10	have between the time he comes back and July 12th
11	and so we may be able to get it earlier.
12	CHAIRMAN FARRAR: Let's
13	MR. Gaukler: I have to check with my
14	scheduling with Dr. Cornell. He'll be in I'll be
15	able to talk to him today or tomorrow.
16	CHAIRMAN FARRAR: Let's do this. Let's
17	set the argument for 11:30, tentative argument for
18	11:30 on Thursday, July 15th. Reason being, we could
19	hear that would be 11:30 Eastern, 9:30 Mountain.
20	We could hear argument, and either decide on the
21	telephone or Judge Lam, Judge Abrahamson, and I get
22	word to you that evening without you know, without
23	any opinion.
24	So that as you prepare your key
25	determinations that are due the next week, you would

have the most possible notice on exactly what you are 1 2 -- what was allowable or not in your -- in your key determinations. 3 4 So we now are looking at an 11:30 call on Thursday, 5 Thursday, July 1st, and an 11:30 on July 15th. And out of both of those, we should know 6 7 exactly what our hearing length and format will be. 8 MS. CHANCELLOR: I hate to raise this 9 possibility, but I believe that the issues are mainly 10 legal issues. The question is: are we going to have to talk around safequards on the oral argument from 11 12 the motion in limine -- motions in limine? 13 MR. Gaukler: The information that we would probably use for Dr. Cornell in terms of the 14 15 basic motion, I have to --16 MR. BARNETT: Your Honor, it would depend 17 on what the State's motion raised. If it's only the 18 database that's to be used, the aircraft crash database that's to be used to conduct further 19 20 evaluation, then it might be possible to conduct that discussion without getting into safeguards. 21 were to go beyond that, then I wouldn't know. 22 It might get into safeguards issues. 23 CHAIRMAN FARRAR: How did you get back in 24 25 the room?

1	MR. Gaukler: He was always here.	
2	(Laughter.)	
3	CHAIRMAN FARRAR: Oh, that's Mr. Barnett.	
4	MR. Gaukler: Yes, Your Honor.	
5	CHAIRMAN FARRAR: Oh, I'm sorry. You	
6	sound like Bern Stapleton.	
7	(Laughter.)	
8	I'm sorry.	
9	MR. BARNETT: That's all right.	
10	CHAIRMAN FARRAR: All right. Okay. Thank	
11	you for that, Mr. Barnett.	
12	Yes, see if you can structure them that	
13	way, because I don't know about you, but that one call	
14	that we did on the safeguards phone line I seem to	
15	remember was very difficult in terms of talking over	
16	each other or the static, or whatever. But I it	
17	seemed to me that it was not an easy system to use,	
18	and I don't know if we'd survive an oral argument	
19	doing that. But if we have to where did the State	
20	go for that call?	
21	MS. CHANCELLOR: The Governor has a	
22	basically I guess it's a war room that where they	
23	have a secure telephone. And it wasn't easy to get	
24	access to it, and we have we couldn't commit right	
25	now to say that we could get that secure phone again,	

but we would try.

CHAIRMAN FARRAR: Now, do you have any federal offices near you, FBI or somebody, that would --

MS. CHANCELLOR: That's just a nonstarter, Your Honor. They're not interested in
sharing their secure lines with the State. They need
them themselves, and, you know, we can't exclude them
from the room. That just didn't work out.

JUDGE LAM: Well, that was not the only problem. The other problem was it was very difficult to hear what anybody else was saying if they are not in the same room, because the lines were scrambled.

MS. CHANCELLOR: Maybe what we should do is start on a non-secure line. And if we can't make the arguments, just put it off until the hearing.

MR. TURK: Denise, if I may ask a question. This is Sherwin Turk again. I think it paraphrases correctly -- or describes the sense of the motion that you'll be filing against PFS. If I'm correct, then I don't see a need to get into safeguards information, because all you're talking about is which of the historic F-16 crashes should be included in the database.

MS. CHANCELLOR: I have no idea what PFS's

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1	response is going to be, so, you know, I didn't want	
2	to speak for them.	
3	MR. TURK: No. But if your motion does	
4	not raise matters that get into safeguards, then it's	
5	up to PFS to structure its response in that same	
6	manner, if they can do that. But if I'm correct, it	
7	sounds like we can do this without safeguards	
8	information being involved.	
9	CHAIRMAN FARRAR: Yes. Let's try to do it	
10	that way. You know, kind of talk around things if you	
11	can.	
12	Is Mr. Soper in the room with you, Ms.	
13	Chancellor?	
14	MS. CHANCELLOR: No, he is busy writing	
15	drafting or working on prefiled testimony.	
16	CHAIRMAN FARRAR: Then, if I were you, I'd	
17	buy him a ticket to D.C. for Wednesday night,	
18	July 14th, and we'll do the oral argument here in	
19	person.	
20	MS. CHANCELLOR: I'm not sure oh, boy.	
21	That's right in our crunch time.	
22	CHAIRMAN FARRAR: Yes.	
23	MS. CHANCELLOR: Okay. We'll	
24	CHAIRMAN FARRAR: No, that's just under	
25	the old principle if someone is not in the room, you	
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1	can elect him to do anything.
2	(Laughter.)
3	MS. CHANCELLOR: I'll pass the message on.
4	CHAIRMAN FARRAR: So buy the ticket in his
5	name, and too bad for him if we if safeguards are
6	involved, and he'll have to
7	(Laughter.)
8	come here come here and argue it.
9	All right. Well, let's see if we can't
10	handle that in a non-safeguards fashion. That would
11	certainly simplify life.
12	All right. Then, I think we've got a path
13	forward, and that we're it's been a couple hours I
14	think very well spent to move the case along. And we
15	have these two future calls. And, again, we'll likely
16	put out a short order just like last time, just kind
17	of summarizing for the record all of these things we
18	decided on.
19	MR. TURK: Your Honor, one last question.
20	CHAIRMAN FARRAR: Yes.
21	MR. TURK: The Staff's response date to
22	the motion which I haven't seen yet, but which I
23	understand is coming in today, may we respond
24	July 1st?
25	CHAIRMAN FARRAR: Yes.

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MR. TURK: Thank you.

CHAIRMAN FARRAR: All right. Then, is there any other business we need to conduct? If not, again, I commend you. This has been a long and arduous case, and I think with all the effort that's going into this final issue everyone is going to be as prepared and ready as possible, and the hearing is going to be done as effectively and efficiently as possible. And the better that's done, the faster and better our decision can be.

So let's all admire all the hard work you all have put into this, and, again, the cooperative spirit. So keep it up and --

MS. CHANCELLOR: Your Honor, just one quick question. In terms of the probability, should we also ask our witnesses to keep available certain dates in September as well as those August dates?

CHAIRMAN FARRAR: Yes. See if they're available those 48 hours at the end of August. But then, let's look at -- I guess we could do Tuesday, noon, the 7th of September, until -- Mr. Turk, does Friday, noon, on the 10th work for you?

MR. TURK: As a stop date?

CHAIRMAN FARRAR: Yes.

MR. TURK: Yes, Your Honor.

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1 CHAIRMAN FARRAR: All right. Then let's 2 do -- the fall back would be Tuesday, noon, the 7th of September until Friday, noon, the 10th of September. 3 MS. CHANCELLOR: Thank you. 4 5 CHAIRMAN FARRAR: And then -- now, if you all are wrong on the -- you know, abjectly wrong on б 7 the length of the hearing, we would pick up again on Monday, the 13th of September, and finish before the 8 9 holiday -- Jewish holidays, which I believe we would -- start Wednesday evening, the 15th. So that's three 10 11 days the week of Labor Day and three days the week of the 13th. 12 All right. Well, again, thank you. 13 we are looking forward to moving toward the trial. 14 15 Thank you very much. Call us if you need 16 And if you -- if there's ever a situation like us. 17 last week where you can't get me, don't hesitate to then call Susan and she'll try to track us down or 18 figure out what we might have figured out and help you 19 20 work through it. 21 Thank you all. We're off the 22 conference is over. Thank you. (Whereupon, at 3:37 p.m., the conference 23 call was concluded.) 24 25

CERTIFICATE

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

Name of Proceeding: Private Fuel Storage, LLC

Docket Number:

72-22-ISFSI

Location:

Rockville, MD

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.

John Mongovek

Official Reporter

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