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## NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

PUBLIC SERVICE COMPANY OF

NEW HAMPSHIRE, ET AL.

(Seabrook Station, Units 1 & 2)

Docket No. 50-443  
50-444

*June 9, 78*

**POOR ORIGINAL**

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Prepared by:  
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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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Room 1130  
1717 H Street, N.W.  
Washington, D. C.  
  
Friday, June 9, 1978

A discussion in the above-entitled matter was convened, pursuant to notice, at 9:15 a.m.

BEFORE:

- Commissioner Victor Gilinsky (Presiding)
- Commissioner Richard Kennedy
- Commissioner Peter Bradford

APPEARANCES:

- ELLYN R. WEISS, Esq. Special Assistant Attorney General, Sheldon, Harmon and Roisman, 1025 15th Street, N.W., Washington, D. C. 20005; on behalf of the Commonwealth of Massachusetts.
- KARIN P. SHELDON, Esq. Sheldon, Harmon & Roisman, 1025 15th Street, N.W., Washington, D. C. 20005; on behalf of New England Coalition on Nuclear Pollution and Seacoast Antipollution League, Audubon Society of New Hampshire.

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RICHARD C. BROWNE, and JAMES CUTCHIN, IV, Esqs.,  
Office of the Executive Legal Director, Nuclear  
Regulatory Commission, Washington, D. C. 20555;  
on behalf of the Nuclear Regulatory Staff.

THOMAS G. DIGNAN, JR., Esq. Ropes & Gray, 225  
Franklin Street, Boston, Massachusetts 02110,  
on behalf of the The Public Service Company of  
New Hampshire.

Accompanied by: David N. Merrill, Executive  
Vice President of the Public Service Company;  
Thomas M. Sherry, Director of Construction,  
Yankee Atomic Electric Company; Bruce B.  
Beckley, Manager of Nuclear Projects, Public  
Service Company of New Hampshire; Dick Pizzuti,  
Manager of Construction of Yankee Atomic Electric  
Company; Frank Cole, Project Engineer, United  
Engineers and Constructors.

P R O C E E D I N G S

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3           COMMISSIONER GILINSKY: We are going to proceed.  
4 Commissioner Bradford is absent, but hopefully he will be  
5 here soon.

6           The Commission has under consideration the question  
7 of a Stay at Seabrook during its review of ALAB-471. In this  
8 connection the Commission would like to learn the current  
9 status of construction work at Seabrook and what activities,  
10 both onshore and offshore are planned during the next two  
11 or three months.

12           What we plan to do is hear evidence from the  
13 Applicant to then permit questioning from the Commission and  
14 then from the parties.

15           Now we would like to wind up in no more than an  
16 hour and I would like for all of us to stick closely to the  
17 question of the status of construction and what is planned  
18 within the next two or three months.

19           (Commissioner Bradford arrived.)

20           COMMISSIONER GILINSKY: Would the parties identify  
21 themselves?

22           MS. WEISS: Ellyn R. Weiss, Special Assistant  
23 Attorney General for the Commonwealth of Massachusetts.

24           MS. SHELDON: Karin Sheldon, New England Coalition  
25 on Nuclear Pollution, and for this morning Seacoast Anti-  
pollution League and Audubon Society of New Hampshire.

1 MR. BROWNE: Commissioner Gilinsky, I am Richard  
2 C. Browne and with me this morning is Mr. James M. Cutchin, IV.  
3 We are both appearing for the NRC Staff.

4 MR. DIGNAN: Members of the Commission, my name  
5 is Thomas G. Dignan, Jr. I am a member of the law firm of  
6 Ropes & Gray, 225 Franklin Street, Boston, Massachusetts. I  
7 appear for the Applicants.

8 With the permission of the Commissioners, I would  
9 introduce at this time the various officials of the company  
10 who have accompanied me here as the result of the Order that  
11 was issued yesterday.

12 COMMISSIONER GILINSKY: Fine.

13 MR. DIGNAN: To my immediate left is David N. Merrill,  
14 the Executive Vice President of Public Service Company who will  
15 serve as the "senior level representative available" to  
16 discuss the matters that the Commission wishes discussed this  
17 morning.

18 He has brought with him several other people who  
19 can provide detail, depending upon the depth of questioning  
20 in any given area. To his left is Mr. Thomas Sherry, who is  
21 Director of Construction at the project for Yankee Atomic  
22 Electric Company. On my right is Mr. Bruce Beckley, who is  
23 the Manager of Nuclear Projects for the Public Service  
24 Company of New Hampshire, to his right is Mr. Dick Pizzuti  
25 who is the Manager of Construction of Yankee Atomic Electric

1 Company and next to him is Mr. Frank Cole who is the Project  
2 Engineer for United Engineers and Constructors at the project.

3 Again, with the Commissioners' permission, Mr.  
4 Merrill has a brief statement in direct response to the  
5 questions put in the order and then they would be available  
6 for such questioning as anybody may have.

7 I would like Mr. Merrill and the other members of  
8 this group to be sworn at this time.

9 COMMISSIONER GILINSKY: Very good, Mr. Dignan.

10 Gentlemen, do you solemnly swear the evidence that you  
11 are about to give is the truth, the whole truth and nothing  
12 but the truth?

13 (A chorus of "I do" from the parties.)

14 COMMISSIONER GILINSKY: Thank you. Mr. Merrill, you  
15 may proceed.

16 MR. MERRILL: Good morning, gentlemen.

17 Understanding our time bind I will proceed rather  
18 rapidly through our overall review so that we can get to the  
19 questioning period if you so desire.

20 The project at the present time is about 10 percent  
21 complete over all. That includes a 14 percent completion on  
22 Unit 1 and the common facilities, and about a one percent  
23 completion on Unit 2.

24 The engineering for the project is about 70 percent  
25 complete and about 90 percent of the material has been

1 purchased.

2 COMMISSIONER KENNEDY: Do you say 90 percent?

3 MR. MERRILL: Ninety percent.

4 At the end of June we had -- I'm sorry. At the  
5 beginning of June we had 2200 men working on the site. This  
6 figure varies from week-to-week depending upon the requirements  
7 at the site at the time.

8 We are working three shifts five days a week on  
9 certain parts of the project and on other parts of the project  
10 we are working single shift work.

11 The excavation for both units is complete. The  
12 excavation for the pump house is complete except for the  
13 removal of the haul road from the pump house area. The  
14 temporary buildings on the site are all complete.

15 The batch plant is complete -- the cement concrete  
16 batch plant is complete and is in operation. The settling  
17 basin for the discharge of water into the ground server  
18 is complete as is the sewage treatment plant, and that is in  
19 operation as well.

20 The containment building for Unit 1 is progressing  
21 as well as the turbine pedestal for Unit 1.

22 The work shaft for the cooling tunnels is down now  
23 to tunnel grade, and the work is started ---

24 COMMISSIONER KENNEDY: Is that offshore?

25 MR. MERRILL: Yes, sir. Onshore.

1 -- has started on the tunnel excavation itself.

2 The offshore work for the cooling system, 6 shafts  
3 have been completed and the drill rig is presently working  
4 on Shafts No. 7 and 8. This is in the discharge shafts.

5 Beyond that, the status of the project is essentially  
6 the same as outlined in Mr. Sherry's affidavit on May ---

7 COMMISSIONER GILINSKY: How many shafts will there  
8 be?

9 MR. MERRILL: There will be 11 discharge shafts and  
10 3 inlet shafts.

11 COMMISSIONER KENNEDY: Work is not underway on the  
12 inlet shafts?

13 MR. MERRILL: No, sir. It is not.

14 Mr. Sherry's affidavit of March 4th, 1978 spelled  
15 our where we intend to be at this time and where we intend to  
16 go for the next several months. Mr. Sherry's affidavit still  
17 holds. There are no essential deviations from that document at all,  
18 except for the present time we are 3 months in to that document  
19 from where it was given to the Commission.

20 We have a series of recent aerial photographs, if  
21 the Commission is interested in looking at what the present  
22 job status looks like, and we have some other visuals if the  
23 Commission is also interested. Beyond that, we are open for  
24 questions.

25 COMMISSIONER GILINSKY: Let me ask you, when you

1 say the project is 10 or 14 percent complete or one percent  
2 complete, that is in terms of what?

3 MR. MERRILL: Manhours expended.

4 COMMISSIONER GILINSKY: Manhours expended.

5 And what remains to be done on the tunneling system.  
6 \*You have sunk it down to below grade level and you have proceeded  
7 with the tunnel?

8 MR. MERRILL: If we may, we have a very nice  
9 isometric, I think, that does this as well as anything.

10 (Mr. Merrill and Mr. Sherry present isometric drawing  
11 to the Commissioners.)

12 MR. MERRILL: At the present time these surface  
13 facilities are complete, these are workhouses and changenouses.

14 This is a mine hoist which is also complete, and it  
15 is driven from a mine hoisting house over here (indicating)  
16 and this goes down into the workshaft. The workshaft is  
17 complete through tunnel elevation.

18 We have now turned the corner and are starting to  
19 build a railroad station at the bottom of the workshaft.  
20 Back here, we have another excavation which is the pump house  
21 excavation, the pump house excavation is now complete as well  
22 and the water will flow in the tunnels and into the pump house  
23 excavation when that is complete as well.

24 This is the railroad station where the moles, which  
25 will be doing the tunnel drilling, a depiction of the mold out

1 here, and the railroads, which run in the tunnels will be  
2 assembled and eventually will start out on their own tracks.

3 COMMISSIONER GILINSKY: How far along are you on  
4 that tunnel?

5 MR. MERRILL: We have just turned the corner for  
6 the workshaft.

7 COMMISSIONER GILINSKY: So it would be right there?  
8 (indicating)

9 MR. MERRILL: Just coming around it.

10 COMMISSIONER GILINSKY: So what you are doing, you  
11 have drilled down at one end and you are drilling down at the  
12 other end?

13 MR. MERRILL: That's correct.

14 MR. KELLEY: I would like to put that up if we could.  
15 Counsel, do you feel like you have had a sufficient look at  
16 that diagram?

17 COMMISSIONER GILINSKY: Why don't you just leave it  
18 on the table.

19 Let me just check again. You have drilled 6 of  
20 the 11 discharge ---

21 MR. MERRILL: Yes, sir. Six completed -- there will  
22 be 11 discharge shafts, and we are working on 7 ---

23 COMMISSIONER GILINSKY: On two more?

24 MR. MERRILL: Yes.

25 COMMISSIONER GILINSKY: And there will be 11 all

1 together plus 3 intake shafts. Are they of comparable size?

2 MR. MERRILL: No, the intake shafts are larger  
3 than the discharge shafts. The intake shafts 12 foot in  
4 diameter and the discharge shafts are 9 feet in diameter.

5 COMMISSIONER KENNEDY: Of the 11 discharge shafts,  
6 what is the direct relationship with those to the presently  
7 planned cooling system?

8 In other words, suppose the cooling system were to  
9 be changed to towers, would any discharge shafts be required?  
10 would they be the same shafts?

11 MR. MERRILL: Our intention is that if by some  
12 chance we would have to change it to a cooling tower system  
13 is to use a single tunnel of the two that we have depicted  
14 there on the drawing and put a division wall down the middle  
15 and bring water in on one half of the tunnel and discharge it  
16 out the other half of the tunnel.

17 The could be done, conceivably, through either of  
18 the tunnels as presently designed.

19 COMMISSIONER KENNEDY: Which of the shafts, discharge  
20 shafts?

21 MR. MERRILL: Well, if we used the discharge tunnel,  
22 it could be either or all of the discharge shafts for discharge.  
23 No particular one.

24 COMMISSIONER KENNEDY: Okay, that's what I wanted to  
25 know.



1 COMMISSIONER KENNEDY: Not at this time.

2 COMMISSIONER GILINSKY: Peter?

3 COMMISSIONER BRADFORD: No questions.

4 COMMISSIONER GILINSKY: Ms. Weiss, would you like  
5 to ask some questions?

6 COMMISSIONER KENNEDY: Excuse me, were you finished  
7 with your presentation?

8 COMMISSIONER GILINSKY: I'm sorry. I thought you  
9 were.

10 MR. MERRILL: Yes, sir, we are.

11 MS. WEISS: I would like to say just two or three  
12 sentences before I start, if I may indulge the Commission.

13 I would like to say that in my opinion the  
14 implicit assumption that \$400 or so million that has already  
15 oozed down the black hole, justifies another few million or  
16 makes another inconsequential and in my opinion both are  
17 illegal ---

18 COMMISSIONER GILINSKY: Let's see, we haven't made  
19 any assumptions here about anything of the sort. Can you just  
20 stick to the subject.

21 MR. DIGNAN: Mr. Chairman, I'm going to object to  
22 any speeches. We came down here, as I understand it for our  
23 technical people to make a presentation to the Commission and  
24 for questioning of that presentation.

25 I would be delighted to make a lawyer's speech, if

1 that's what you want to do, but it is going to take an awful  
2 lot longer than an hour.

3 MS. WEISS: That was the entire speech.

4 COMMISSIONER GILINSKY: Well, it was out of place.

5 MS. WEISS: I'm sorry, M.C. Commissioner.

6 But, Mr. Sherry, in your affidavit submitted on  
7 March 6th of 1978, did you state that Seabrook was at that  
8 time 5 percent completed?

9 MR. SHERRY: Yes.

10 MS. WEISS: Did you just state that Seabrook is, as  
11 of now, 10 percent completed?

12 MR. SHERRY: The statement that was just made now  
13 is that it is approximately 10 percent completed. That's right.

14 MS. WEISS: So it doubled in three months; is that  
15 correct?

16 MR. SHERRY: That percentage of the work has been  
17 doubled in three months; that's correct.

18 MS. WEISS: In the next three months, what percentage  
19 will be completed?

20 MR. SHERRY: I don't know right now. I would have  
21 to review exactly what the relationship of the work that we  
22 are going to do in the next three months as it relates to the  
23 percentage.

24 MS. WEISS: Do you know whether it will be 15  
25 percent, 20 percent? Do you have an estimate?

1 MR. SHERRY: It could be another 10 percent,  
2 approximately.

3 MS. WEISS: It could be or it could then double once  
4 more in the next three months?

5 MR. SHERRY: Yes.

6 MS. WEISS: And then three months after that, could  
7 it double again?

8 MR. SHERRY: No.

9 MS. WEISS: You wouldn't estimate what will happen  
10 beyond the next three months?

11 MR. SHERRY: We have scheduled three ---

12 COMMISSIONER GILINSKY: Let's take for the next  
13 three months for the moment.

14 MR. SHERRY: Yes.

15 MS. WEISS: You give a figure in your affidavit of  
16 March 6th of \$340,700,000 expended to date.

17 MR. SHERRY: Correct.

18 MS. WEISS: Can you tell me how much that is as of  
19 now?

20 MR. SHERRY: As of the first of June, without the  
21 closing of our books, we know what the closing of the books as  
22 of May was; the estimated monies for June, including fuel,  
23 would be \$404 million.

24 MS. WEISS: Does that figure ---

25 COMMISSIONER KENNEDY: As of the 1st of June?

1 MR. SHERRY: As of the 1st of June, yes, sir.

2 MS. WEISS: Does that figure include money paid for  
3 the design and fabrication of components off the site?

4 MR. SHERRY: That includes all expenditures for  
5 this entire project, including engineering design, fabrication,  
6 everything that is required to build this project.

7 MS. WEISS: Okay, in your ---

8 COMMISSIONER KENNEDY: Could I interrupt, Ms. Weiss?

9 MS. WEISS: Yes, sir.

10 COMMISSIONER KENNEDY: To follow that question with  
11 one more ---

12 MR. SHERRY: Yes, sir.

13 COMMISSIONER KENNEDY: My understanding is that 90  
14 percent of the material is purchased. When you say "material"  
15 does that mean all of the major componentry of the steam  
16 supply and turbine?

17 MR. SHERRY: Yes, sir. Ninety percent which is  
18 purchased, is 90 percent of all the engineered items, all the  
19 hardware. The only remaining items yet to be purchased, are  
20 relatively of a small nature, on dollar volume.

21 COMMISSIONER KENNEDY: And the dollar volume of  
22 that, what's the relative percentage out of that \$404 million  
23 represented by the 90 percent of the material that has been  
24 purchased, roughly?

25 MR. SHERRY: I can't answer that question without

1 checking. I'm not quite sure I understand your question, sir.

2 COMMISSIONER KENNEDY: Well, you have spent \$404  
3 million?

4 MR. SHERRY: Yes.

5 COMMISSIONER KENNEDY: You have got 10 percent on  
6 a manhour expended basis of the work on the site completed,  
7 and you have bought 90 percent of all the material that will be  
8 introduced to the site.

9 Now the question is: how much of the \$404 million  
10 is represented by that 90 percent material?

11 MR. MERRILL: Mr. Cole says about half, Commissioner.

12 COMMISSIONER KENNEDY: About half.

13 MR. SHERRY: I was just going to say about \$200  
14 million.

15 MR. MERRILL: There is a qualification we should let  
16 you know about.

17 When we say that 90 percent of the material has been  
18 purchased, it does not mean it has all been paid for. There  
19 are certain items that are on progress payments which have been  
20 contracted for but not entirely paid.

21 COMMISSIONER KENNEDY: That was my next question.  
22 Thank you.

23 I'm sorry, Ms. Weiss. That's all the questions I have.

24 MS. WEISS: That's okay, Commissioner Kennedy. Those  
25 are the questions I was about to ask.

1           On page 5 -- do you have your March affidavit up  
2 there with you?

3           MR. SHERRY: Yes, I do.

4           MS. WEISS: Could you turn to page 5, please?

5           MR. SHERRY: Yes, I would.

6           MS. WEISS: Figures that are given for expenditures  
7 in three-month increments in the paragraph numbered 7 on that  
8 page; could you direct your attention to those?

9           MR. SHERRY: Yes, I see them.

10          MS. WEISS: Do those figures include money that will  
11 be spent or paid to the fabricators and designers of  
12 components off-site during those months?

13          MR. SHERRY: I'm not quite sure I understand your  
14 question, again.

15          On the 3 to 6 to 9 months all that has happened since  
16 I submitted my affidavit is now we have moved up 3 months  
17 and we go -- 3 months becomes the 6 and the 6 becomes the 9.

18          MS. WEISS: Okay, let me try the question again.

19          You have spent that \$9,200,000 already I take it?  
20 Is that what you just said?

21          MR. SHERRY: No, I don't -- those are shutdown  
22 figures. I'm not sure if you are -- this is the difference  
23 between the amounts that would be spent, assuming on-going  
24 construction ---

25          MS. WEISS: I'm sorry, Mr. Sherry.

1  
2 Is there some place on your affidavit where you  
3 estimate the amounts of money to be -- ah, the answer to the  
4 question is No. 8, is that correct? The paragraph numbered 8  
5 on page 5.

6 You give figures of \$1,660,000 ---

7 MR. DIGNAN: Ms. Weiss, could I respectfully direct  
8 your attention to Attachment C, where I think the numbers  
9 are all laid out.

10 MS. WEISS: Yes.

11 MR. DIGNAN: Which shows the derivation of the  
12 figures in paragraph 5 -- excuse me -- on page 5.

13 MS. WEISS: Thank you very much.

14 Do those figures include the amount of money to be  
15 paid for the design and fabrication of components off-site?

16 MR. SHERRY: Yes, they do.

17 MS. WEISS: Do your contracts for design and  
18 fabrication of components include check-points or stop-points?

19 MR. SHERRY: Do you mean in the manufacturing of the  
20 components?

21 MS. WEISS: Yes.

22 MR. SHERRY: All items -- engineered items, some of  
23 them have components that are check-points and stop-points,  
24 but it depends on what you are referring to. I don't know  
25 what you are referring to.

MS. WEISS: There are -- in your contracts for

1 design and fabrication, or at least some of your contracts  
2 for design and fabrication there are points at which the  
3 Public Service Company of New Hampshire can elect either to  
4 allow fabrication to continue or to stop it and bear a certain  
5 loss at that stage. Is that correct?

6 MR. SHERRY: There are some components in that  
7 category but, for example, if you want to take the reactor  
8 vessel, the reactor vessel is finished, it is fabricated and  
9 delivered, so you can't stop that.

10 MS. WEISS: Do you know if there are any check-points  
11 that you will be passing in the next three months?

12 MR. SHERRY: It is impossible to answer that, there  
13 are many components, you know.

14 MR. DIGNAN: Could I have the definition to the  
15 word "check-point"? Are we talking about a placement contract  
16 where a certain penalty -- a cease and desist order can come  
17 or what are we talking about. The word check-point is foreign  
18 to me and I'm not sure it is clear to the witness.

19 COMMISSIONER GILINSKY: Could you make clear what  
20 you are driving at?

21 MS. WEISS: Well, I'm not all that familiar with the  
22 contracts either, which is why I asked the witness if there are  
23 times or points in the contract ---

24 COMMISSIONER GILINSKY: Well, what is it that you  
25 are trying to ascertain?

1 MS. WEISS: I am trying to figure out if they can  
2 minimize losses at a certain point by notifying the designer  
3 or the manufacturer of a component to stop. And it was my  
4 understanding that those points come up again, and again in  
5 various places in contracts for design and fabrication  
6 components.

7 COMMISSIONER GILINSKY: And you want to know where  
8 they are crossing the critical thresholds in that?

9 MS. WEISS: Right. What happens next in that.

10 MR. DIGNAN: Now my problem is I want losses defined,  
11 because it is true, of course, you can stop a contract, let  
12 us say on a penalty. But now what is going to be called  
13 the loss at that point if the delay means you start up again  
14 at a higher price, that's in addition to loss.

15 The question in its present form has no parameters  
16 on it whatsoever. I don't think it is assisting the record  
17 and I think it is misleading.

18 MS. WEISS: Mr. Dignan, of course, just testified  
19 for the witness.

20 COMMISSIONER GILINSKY: Well, you know, we are  
21 here to find out where they are and what they plan to do in  
22 the next three months.

23 COMMISSIONER KENNEDY: Mr. Chairman, could I say  
24 something for one second.

25 COMMISSIONER GILINSKY: Sure.

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COMMISSIONER KENNEDY: Ladies and gentlemen on both sides of this aisle. I am not here this morning, and I don't think my colleagues are, to engage in polemic or to engage in legal skirmishing. I have had all the legal skirmishing with respect to Seabrook that I can stomach. What I am here to find out are the facts. That is why we ask you all here and I suggest we confine ourselves, on both sides, to a discussion of precisely the questions that are asked, and if the question isn't clear, we will get the question clear.

But I think legal skirmishing has got to stop. We are going to stop this proceeding at precisely 25 minutes after 10:00.

Thank you, Mr. Chairman.

MS. WEISS: I really am willing to leave it to the Commission. I am not interested in legal skirmishing, I am interested in knowing if there is some critical point that will be passed in the next three months. If you are interested in that also, then let the witness answer it. If you are not, I really don't care and that will be the end of my questions.

MR. SHERRY: Maybe I could clear it up in that in a major construction project of this nature there are hundreds of items that are in various stages of engineering and design.

There is no way at any time in the process of any

1 of these that you can establish what the right time is as to  
2 when a check-point should be or should not be established.

3           When you take a job that starts and gets engineered,  
4 designed, fabricated, it is over several years that all of these  
5 components are engineered, designed and released. So if we  
6 were to try arbitrarily pick any one of those in there and  
7 say this is the time we stop or don't stop we would never get  
8 the material in time to build the plant.

9           The other part of this is that these all go in to  
10 various factories or manufacturing facilities all over the  
11 country. If you stop any one of those in the various stages  
12 that it goes in to those plants, you lose your place in there.  
13 Not only do you lose you ability to receive your material, but  
14 the cost would double.

15           That's about the best I can address it.

16           COMMISSIONER KENNEDY: Let's go back to specifically  
17 to what Ms. Weiss asked, though, for my benefit.

18           If I understood the question it was simply are there  
19 such check-points in the existing fabrication contract which  
20 will be passed at certain points over the next three months?  
21 If there are then the first question has to be answered "yes"  
22 or "no".

23           If the answer is "yes," if there are, then are there  
24 some which could be used to mitigate the loss which otherwise  
25 would occur from a stop order.

1 Is that the question you are asking?

2 MS. WEISS: That's precisely the question.

3 COMMISSIONER KENNEDY: Could somebody just answer  
4 the question?

5 MR. MERRILL: Mr. Commissioner, there are check points  
6 in the major items of manufacture. You generally pass these  
7 when you release these items for manufacture and all of the  
8 major items have been released for manufacture. That means  
9 that if we were to stop anything at the present time, we would  
10 have to renegotiate contracts with a result in penalties for  
11 renegotiation or a result in penalties for starting up again.  
12 There are small items, that 10 percent has not presently been  
13 ordered and released by the manufacture which could be stopped.  
14 It is a minor portion of the entire job.

15 COMMISSIONER KENNEDY: That answers the question to  
16 my satisfaction. Does it answer it to your's, Ms. Weiss?

17 MS. WEISS: I don't have any more questions.

18 COMMISSIONER KENNEDY: Thank you.

19 COMMISSIONER GILINSKY: Ms. Sheldon.

20 MS. SHELDON: I have two questions.

21 Based on your last answer, Mr. Merrill, would the  
22 same answer apply to contracts for purchases of materials,  
23 the same principle to the 90 percent of materials that have  
24 been purchased?

25 MR. MERRILL: Well, I thought that was partially

1 what I was addressing, Ms. Sheldon.

2           There are a large number of things of small dollar  
3 value that we purchase in the field every day. And those  
4 items are not major engineer items which do not have check  
5 points as such. They are buying lumber from the local lumber  
6 dealer or papertowels or something of that sort.

7           MS. SHELDON: I understand. So that in 90 percent  
8 of materials that you have purchased as a group, those  
9 materials are small items rather than ---

10           MR. MERRILL: No. The 90 percent includes all the  
11 major engineered items for the plant. The nuclear steam  
12 supplies, the turbine generators, feed water heaters,  
13 condensers, all the major engineered items of the plant are  
14 presently under contract. Some have been completed, the  
15 rest are in the process of being manufactured.

16           The 10 percent are small items which may be valves  
17 yet to be purchased, gradings, sidings, small things.

18           MS. SHELDON: With respect to the discharge tunnel  
19 that you are now excavating, could the location of that tunnel  
20 be changed as the result of the EPA hearings?

21           MR. MERRILL: I don't think we can answer that,  
22 Ms. Sheldon, at the present time.

23           MS. SHELDON: Is it possible that it could be changed  
24 as the result of the EPA hearings?

25           MR. MERRILL: Are you asking me to speculate what the

1 EPA Hearing Examiner may find? I don't know.

2 MS. SHELDON: That's all.

3 COMMISSIONER GILINSKY: Mr. Browne?

4 MR. BROWNE: We have no questions, Commissioner  
5 Gilinsky.

6 COMMISSIONER BRADFORD: When the Appeals Board  
7 reinstated your permit last summer, there were several  
8 admonitory phrases in their decision to the general thrust  
9 and I'm quoting one of them:

10 "It must be left to the risk of the Applicants  
11 themselves to weigh the risk of another permit suspension  
12 in terms of the consequences that would flow from such a  
13 suspension."

14 That's the end of the quote. They were discussing  
15 the fact that there were several further decisions, clearly,  
16 to be anticipated in this case. I take it you all had that  
17 admonition in mind when you decided to resume construction?

18 MR. MERRILL: Yes, sir we did. We believe our case  
19 is a strong one and we conceded on that basis.

20 COMMISSIONER BRADFORD: But you also felt that it  
21 would be worth your while to resume construction even if the  
22 permits were suspended or construction stayed again at some  
23 point in the future?

24 MR. MERRILL: That is a risk, Mr. Commissioner, that  
25 we have to face. We believe that the power supply situation in

1 New England is imperative enough so that these facilities  
2 are necessary to meet power supply in the middle '80s. We  
3 feel we have an obligation to do that and we will proceed  
4 along those lines to the best of our ability.

5 COMMISSIONER BRADFORD: But it was also, I take it,  
6 implicit in your decision that even if the permits were at some  
7 point stayed or suspended again, it was worth it to the company  
8 to resume construction?

9 MR. MERRILL: The costs incurred during a shutdown  
10 mode are not that much less than the costs that are involved  
11 when you are constructing. What you are doing in the meantime  
12 is losing time.

13 COMMISSIONER KENNEDY: Could you explain that in  
14 somewhat more detail, please?

15 MR. MERRILL: Well, I think it is covered somewhat  
16 in Mr. Sherry's affidavit, Commissioner, where he has outlined  
17 the cost that would be incurred, on page 8, I believe it was --  
18 I'm sorry, on page 5 -- that would be incurred. Assuming that  
19 we were to shutdown, we also have on Exhibit C the costs that  
20 are incurred for continuing operation and the costs that are  
21 incurred if we are assuming an orderly shutdown, and if you  
22 subtract the two columns you will find that \$9 million over  
23 3 months is the difference, for a three-month period; \$36 million  
24 over the second three months, and \$68 million over the last  
25 three-month period when we are talking expenditures of half  
a billion dollars by the end of that period.

1           So to shut one of these projects down, unfortunately,  
2 is the worst thing you can do for cost control, because there  
3 there are so much of the cost to continue any way. You have  
4 a large amount of engineered equipment that is placed, and  
5 your manufacture is going to want money for it.

6           In addition, we have responsibilities for maintaining  
7 the site, maintaining the security of the site, for receiving  
8 material, for doing the environmental things on the site  
9 that are required at all times and this money just keeps going  
10 along. So we would rather see productive work come out of this  
11 than not.

12           COMMISSIONER KENNEDY: Could we go back to these  
13 tunnels and discharge shafts.

14           The question I asked earlier, I would like to pursue  
15 it a little bit. As I understand it, we have two large  
16 tunnels which will go out to the intake and discharge shafts.

17           MR. SHERRY: Yes, that's correct.

18           COMMISSIONER KENNEDY: One of these tunnels -- I'm  
19 just trying to be sure I understand the engineering -- one of  
20 these tunnels will connect to the 11 discharge shafts, the  
21 other to the 3 intake shafts, the latter intake shafts not  
22 having been started yet.

23           MR. MERRILL: That is correct.

24           COMMISSIONER KENNEDY: Now, if a once-through system,  
25 which is now contemplated -- was not allowed, hypothetical --

1 did I understand you correctly to say that some or all of the  
2 discharge shafts would be required in any case, the shafts,  
3 not the tunnel, but the shafts.

4 MR. MERRILL: Yes, sir.

5 COMMISSIONER KENNEDY: How many?

6 MR. MERRILL: If I can clarify that.

7 If we assume that we use the discharge tunnel for the  
8 inlet and discharge on a closed cycle cooling system, then  
9 some of the discharge shafts would be required. I would say  
10 no more than 2.

11 COMMISSIONER KENNEDY: No more than 2?

12 MR. MERRILL: No more than 2.

13 COMMISSIONER KENNEDY: Of the 11?

14 MR. MERRILL: That's correct.

15 COMMISSIONER KENNEDY: Six of which are already  
16 completed?

17 MR. MERRILL: Yes, sir.

18 COMMISSIONER GILINSKY: And how much further do you  
19 expect to go in the next 3 months in sinking shafts and digging  
20 tunnels?

21 MR. MERRILL: We will probably be in to constructing  
22 the inlet shafts by that time.

23 COMMISSIONER GILINSKY: You will finish the discharge  
24 shafts ---

25 MR. MERRILL: We believe we will have finished the

1 discharge shafts and will be ---

2 COMMISSIONER GILINSKY: You will be working on  
3 the inlet shafts ---

4 MR. MERRILL: -- working on the inlet shafts ---

5 COMMISSIONER GILINSKY: And what about the tunneling?

6 COMMISSIONER KENNEDY: Excuse me. .

7 I want to be sure on the discharge shafts. Six of  
8 them are now completed and you are working on number 7 and 8 ---

9 MR. MERRILL: Seven and 8, yes, sir.

10 COMMISSIONER KENNEDY: And that means there are  
11 3 that have not yet begun?

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

13 COMMISSIONER KENNEDY: I want to be sure that I  
14 understand what it was you were answering.

15 Did you mean then that you will have begun and  
16 completed those three also?

17 MR. MERRILL: We believe so, yes, sir.

18 COMMISSIONER KENNEDY: So that you will -- I see.  
19 So the two that are now under way plus 3 more will be completed  
20 over the next 3 months, plus beginning work on the intake  
21 shaft? I want to be sure I understood. That's correct?

22 MR. MERRILL: Yes, sir.

23 COMMISSIONER GILINSKY: Can you assume that the same  
24 tunnel would be acceptable if we had to use a closed cycle  
25 system?

1 MR. MERRILL: From an environmental standpoint?

2 COMMISSIONER GILINSKY: Yes. What sort of authori-  
3 zation do you need for that?

4 MR. DIGNAN: Commissioner Gilinsky, as a legal matter,  
5 once you go to closed cycle cooling, you don't need any  
6 316-A permit from the EPA. Assuming they get their regulations  
7 out, once you go to closed cooling you are at liberty at that  
8 point on that shaft, but only that it represents best tech-  
9 nology available.

10 Given the designs that we are using, I don't think  
11 anybody has questioned their best technology available. So  
12 I would say that while you cannot be absolutely pleased that  
13 somebody can come in on a 316-B side and cause you some  
14 problem, maybe, I would find it very unlikely, and if so,  
15 advise my client that it would not be acceptable to use either  
16 of the contemplated shafts in light of the fact that you  
17 don't need the 316-A exemption once you have gone to closed  
18 cycling.

19 COMMISSIONER GILINSKY: I'm not sure I understood  
20 how far you are going to be with the tunneling.

21 MR. MERRILL: In that same time frame?

22 MR. SHERRY: Well, as he stated earlier,  
23 we are all the way down in our workshaft right now, and we  
24 are beginning the face at one of the tunnels, which is  
25 driving the face of that tunnel -- within the next 2 months

1 did you say or 3 months?

2 COMMISSIONER GILINSKY: Yes.

3 MR. MERRILL: Roughly about ---

4 MR. SHERRY: Mr. Cole has the answer to that.

5 MR. COLE: During that time the station area in the  
6 tunnel where the tracks are in the same area would be  
7 developed, the tunnel boring equipment will not be installed.

8 MR. SHERRY: We will be driving it this way and  
9 this way, that's a work area. That work will go on simultaneously  
10 and that will bring you down in the holes which is shown over  
11 here. (Indicating on the isometric drawing.)

12 MR. MERRILL: This area is done by conventional  
13 drilling equipment, not by the moles, it is the area that is  
14 designed to assemble the molds in.

15 MR. COLE: That work will be needed in any event  
16 whether you had the open cycle cooling or the closed cycle  
17 cooling.

18 COMMISSIONER KENNEDY: Could I ask, how many people  
19 of the roughly 2,000 that are on-site -- when is that?

20 MR. SHERRY: The first of June, 2200.

21 COMMISSIONER KENNEDY: 2200. How many of those are  
22 involved in the work on the tunneling and on the discharge  
23 and intake shaft?

24 MR. SHERRY: I have it right here.

25 MR. MERRILL: 276. That is both onshore and offshore.

1  
2 MR. SHERRY: Then the supervision that goes with it  
3 would make it 300.

4 COMMISSIONER GILINSKY: If you have one or two  
5 brief questions, I think we might have a moment for them.

6 MS. SHELDON: I have no questions, Commissioner  
7 Gilinsky, I simply had a comment which was a follow-on to  
8 the question I asked Mr. Merrill concerning the location of  
9 the tunnel. It is not simply whether or not the tunnels can  
10 be used in either open or closed cycle loads, but the location  
11 of the tunnel as well. That item is an item under consider-  
12 ation in the EPA hearings. It is possible that that location  
13 could be changed.

14 MR. DIGNAN: That's just not so, Mr. Chairman.  
15 The tunnel that is being driven now is not at issue in the  
16 EPA hearings.

17 The only tunnel that is at issue in the EPA hearings  
18 is the other one.

19 MS. SHELDON: The location of the discharge is ---

20 MR. DIGNAN: It is no longer at issue in the EPA  
21 hearings.

22 MS. SHELDON: That's not the way Mr. Merrill answered  
23 the question.

24 COMMISSIONER BRADFORD: Mr. Merrill, did you want  
25 to clarify your answer?

MR. MERRILL: I guess Ms. Sheldon was hypothesizing

1 as to what possibly could happen.

2 I thought I came down finally with the idea that  
3 I didn't know what could happen as the result of that hearing.  
4 It is true, that as Mr. Dignan has said, that either tunnel  
5 could serve the purpose and they do not allow me very generally  
6 to interpret the legal regulations. I get stopped every time  
7 I try to do that, but the interpretation of the discharge on  
8 a closed cycle cooling system is that the best available  
9 technology is acceptable, per se, and that's certainly what we  
10 have envisioned there as the discharge, is best available  
11 technology.

12 COMMISSIONER BRADFORD: But do you know one way  
13 or the other whether it is possible that EPA, as the result  
14 of these hearings, would order the relocation of the tunnel  
15 on which you are working?

16 MR. MERRILL: No, I do not.

17 The only thing that I do know is that my lawyer has  
18 advised me that that is not his opinion, that they have that  
19 authority to do so.

20 COMMISSIONER GILINSKY: Regardless of which type  
21 of cooling is acceptable?

22 MR. MERRILL: No, no. Only if it is closed cycle  
23 cooling.

24 MS. WEISS: I just have a couple of question on ---

25 COMMISSIONER GILINSKY: You have got about 3 minutes.

1 MS. WEISS: Okay. On Attachment C of your remarks  
2 to this affidavit, particularly the assumptions used in  
3 the derivation of the numbers in Column 3, Column 3 being  
4 the amount of money that gets spent even if you are shutdown.

5 Are you with me now?

6 MR. SHERRY: I'm looking at it.

7 MS. WEISS: Okay, Column 3, is it correct that that  
8 is the amount of money that Public Service has to spend  
9 even if it is shutdown. That's what you would estimate?

10 MR. SHERRY: The amount which has been expended  
11 assuming an orderly shutdown?

12 MS. WEISS: Yes.

13 MR. SHERRY: That is yes.

14 MS. WEISS: Item No. 6, you state that you will  
15 retain non-manual labor, 450 persons for 3 months. If the  
16 delay is longer you will reduce that force.

17 MR. SHERRY: Yes.

18 MS. WEISS: What is the payroll for that 450 persons?

19 MR. SHERRY: I have got to figure it out.

20 \$900,000.

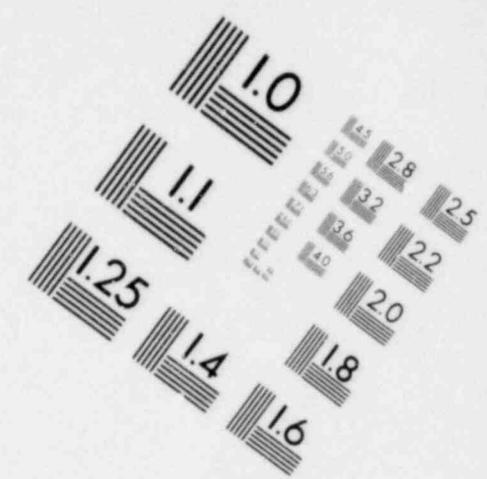
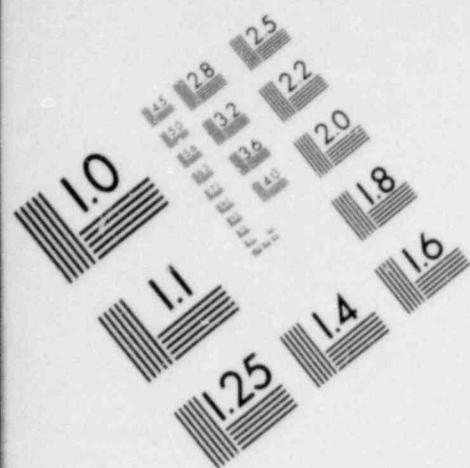
21 COMMISSIONER GILINSKY: Per month?

22 MR. SHERRY: Per month.

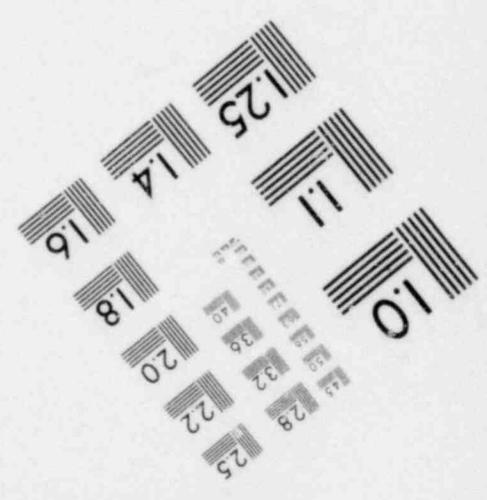
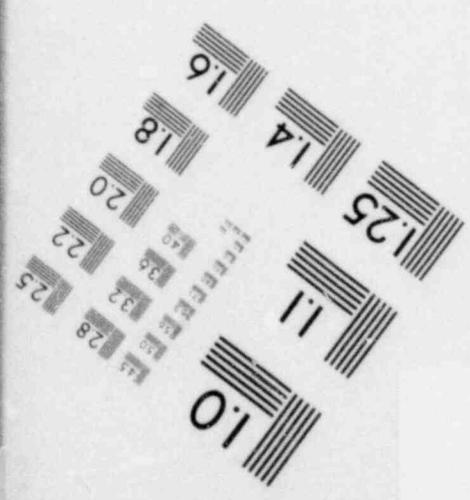
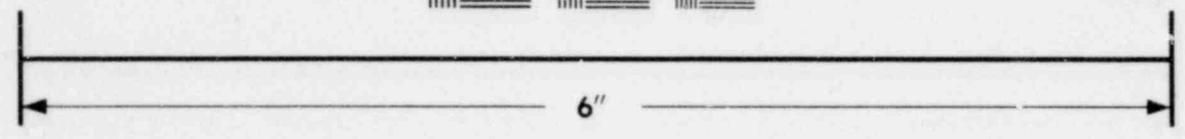
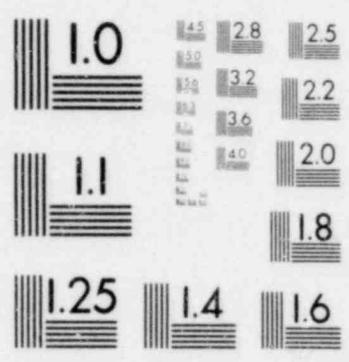
23 MR. KELLEY: Is that \$900?

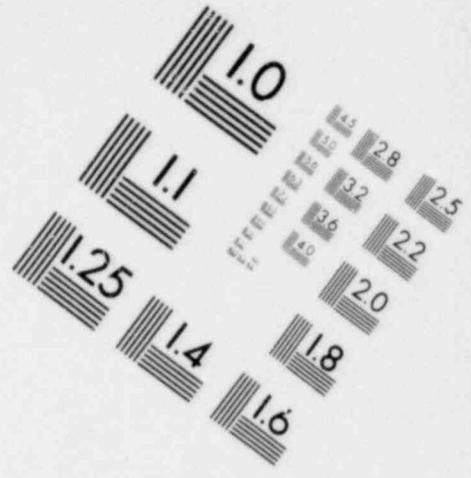
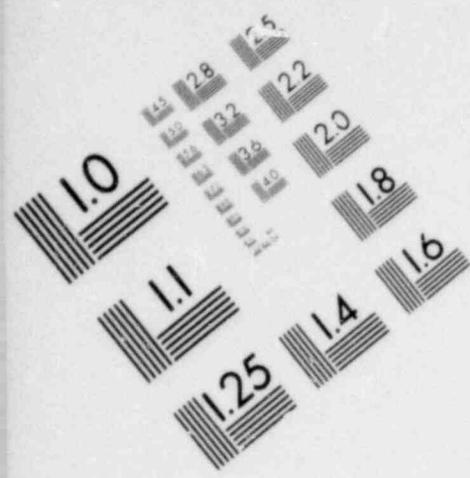
24 MR. SHERRY: \$900,000 per month, yes, sir.

25 MS. WEISS: Then Item No. 4, Equipment and Materials

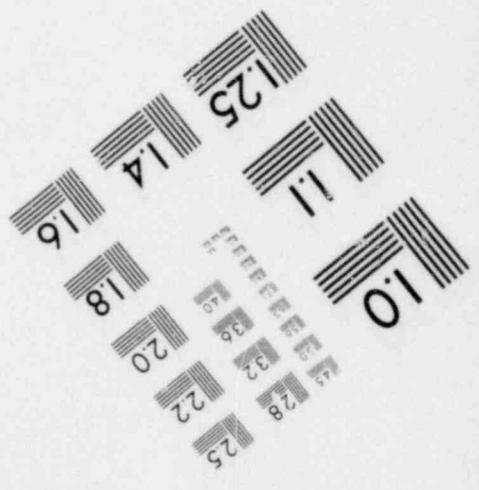
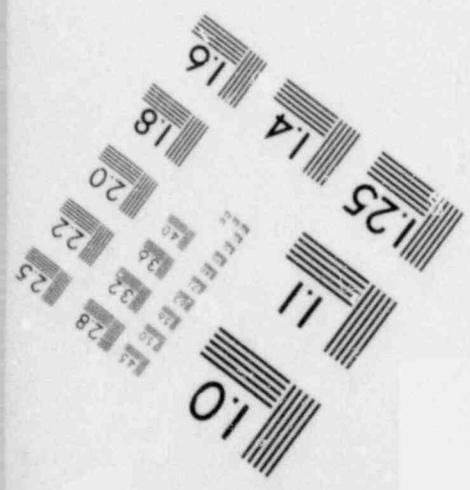
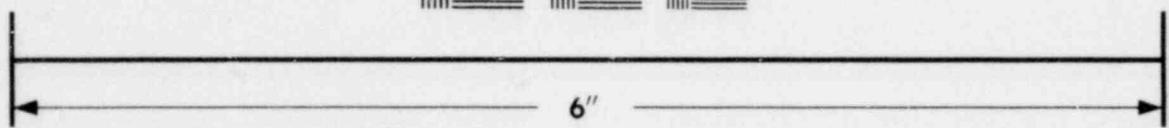
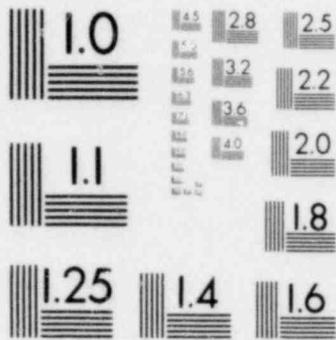


**IMAGE EVALUATION  
TEST TARGET (MT-3)**





**IMAGE EVALUATION  
TEST TARGET (MT-3)**



1 Arriving at Site. Is the pressure vessel going to arrive  
2 in the next three months?

3 MR. SHERRY: I don't know yet.

4 MS. WEISS: Is that possible?

5 MR. SHERRY: Is it possible? The pressure vessel?

6 The pressure vessel for Unit 1 has already been  
7 delivered to New England. It is at one of the other power  
8 plant locations which everybody knows.

9 MS. WEISS: Do you expect it to come on the site  
10 in the next 3 months, and I know you have a problem there,  
11 I don't want you to give me a date.

12 MR. SHERRY: We will move it to the site at the  
13 time when it is convenient and it is appropriate for us to  
14 install it.

15 MS. WEISS: So that is essentially at your discretion.  
16 At this point, it could come on at any point?

17 MR. SHERRY: Correct.

18 MS. WEISS: Any other major pieces of equipment  
19 that you expect to come on or could come on in the next 3  
20 months?

21 MR. SHERRY: The -- Is it the steam generators,  
22 Dick? What's the next major piece of ---

23 MR. PIZZUTI: Do you mean the next major components  
24 coming on the site, would be a -- nothing of any major  
25 consequence.

1 MR. SHERRY: Nothing of any major consequence.  
2 All we have coming in the next three months is some diesel  
3 fuel storage tanks.

4 MS. WEISS: The major pieces of equipment would be  
5 the pressure vessels?

6 MR. SHERRY: The reactor pressure vessel is there  
7 already in New England.

8 The status for the pressure vessel for Unit 2 is  
9 almost completed, the fabrication.

10 MS. WEISS: The fabrication is almost completed?

11 MR. SHERRY: Yes.

12 MS. WEISS: Then could the pressure vessel for Unit  
13 2 come on site within that three months also?

14 MR. SHERRY: No.

15 MS. WEISS: It won't be completed?

16 MR. SHERRY: No.

17 MS. WEISS: That's all.

18 COMMISSIONER KENNEDY: You said something about 450  
19 people, non-manual labor would remain on the payroll for  
20 something like three months. Is that right?

21 MR. SHERRY: Yes.

22 MR. MERRILL: Assuming a 3-month shutdown.

23 MR. SHERRY: Only assuming a 3-month shutdown, yes.

24 COMMISSIONER KENNEDY: Now, that, therefore, I  
25 assume, conversely assumes that something like 1800 would be

1 laid off?

2 MR. SHERRY: That is correct.

3 COMMISSIONER GILINSKY: Immediately?

4 MR. SHERRY: Immediately -- well, within a very  
5 drastic time frame, within a week, two weeks, because once  
6 you would stop work you would lay off all your work force.

7 COMMISSIONER KENNEDY: Could you tell me how long  
8 it takes to reassemble a work force like that?

9 In other words, what is the startup cost that would  
10 be associated if one were to start up, say three months later?

11 MR. SHERRY: In construction there is no way of  
12 defining what you can do in production, in a factory, where you  
13 have all of these types of people available. That is the  
14 major problem in construction.

15 We have spent all types of money and our time  
16 training a lot of these construction workers in cad welding  
17 and other types of techniques that are needed to build this  
18 plant. If we are forced to lay them off and lose them,  
19 automatically they go to where the work is and it would  
20 anywhere from double or tripple, probably, the time for us to  
21 get some of this work force back.

22 It is pretty difficult to define just how long it  
23 would take to get a work force that has been brought up to  
24 this level right now, back. It could be more than doubled.

25 MR. MERRILL: Of the more serious consequence, though

1 is the loss of the supervisory people and these supervisory  
2 people, if they were let go at the end the 3-month period,  
3 they are going ---

4 COMMISSIONER KENNEDY: You will keep those for the  
5 three months?

6 MR. MERRILL: If we had, by some crystal ball,  
7 knowledge that we were looking at a three-month shutdown, we  
8 would try to keep that cadre.

9 COMMISSIONER KENNEDY: Or at a reasonable presumption  
10 at least, that that is a possibility.

11 MR. MERRILL: Yes.

12 But loss of those people beyond that, means that they  
13 have gone all over the country to other jobs, and you have  
14 lost men that you have handpicked for these key supervisory  
15 positions and you have to start all over again and it can  
16 take many, many months to assemble a workable reasonable crew  
17 again.

18 COMMISSIONER GILINSKY: Does staff have a question?

19 MR. CATCHIN: Yes, sir.

20 I would like to refer to the response that Mr.  
21 Hazeltine made to Mr. Case's letter on March 3rd with regard  
22 to the status of construction. You referred to here an  
23 affidavit by Mr. Sherry of March 6th, and there was a question  
24 today as to whether or not -- what the effects of the delay  
25 would be on construction at the time. And at that time the

1 statement was made that the tunnel work is on the critical  
2 path. Is that still the case?

3 MR. SHERRY: Yes, it is. As a matter of fact, we  
4 are behind on the tunnel work right now. So it is on the  
5 double critical path.

6 There are two critical paths on the project. The  
7 tunnel and the containment work.

8 MR. CUTCHIN: So that a three-month delay here is  
9 unrecoverable if it relates to tunnel work?

10 MR. SHERRY: A delay of any kind is unrecoverable  
11 on this project. You can't make it up.

12 COMMISSIONER GILINSKY: The tunnel was the pacing  
13 item?

14 MR. SHERRY: It was containment plus the tunnel work,  
15 yes, sir. They are identical. Both of them are on critical  
16 paths.

17 COMMISSIONER GILINSKY: And what does it mean that  
18 the tunnel work is falling behind. Does that mean that you  
19 slow down other work?

20 MR. SHERRY: No, it is just that the time it has  
21 taken to do the work that we have so far scheduled to date,  
22 has not been as productive as we had hoped it had been and  
23 we are behind.

24 Now, the rest of the work will go ahead, because the  
25 tunnel is not related to the site work.

1                   COMMISSIONER GILINSKY: And you are going to wait  
2 for the tunnel to catch up.

3                   MR. MERRILL: We do have hopes that the tunnel will  
4 catch up, but in addition, we have, through circumstances of  
5 faith, a baby cooling tower on this site which would allow  
6 us to utilize that cooling system for start-up purposes  
7 while we were waiting for the tunnel to catch up with the  
8 work as well.

9                   COMMISSIONER GILINSKY: What kind of cooling system?

10                  MR. MERRILL: A baby cooling tower, it is Mr. Dignan's  
11 baby. It has been so dubbed for some length of time. It is  
12 a small cooling tower as emergency shutdown.

13                  MR. DIGNAN: It was not Mr. Dignan's baby, it  
14 was given birth by the staff. I refer to it ---

15                  MS. WEISS: Isn't that usually called the ultimate  
16 heat sink?

17                  MR. DIGNAN: This is the ultimate heat sink  
18 cooling tower, assuming that you have the earthquake that  
19 takes out the tunnels.

20                  COMMISSIONER GILINSKY: Well, we are pressed for  
21 time here and I would propose -- do you have any further  
22 questions?

23                  COMMISSIONER KENNEDY: Just one more.

24                         Is it fair to say that we can take for guidance  
25 the material that was included in your affidavit of March 6th

1 and Mr. Hazeltine's letter of March 3rd, together with  
2 any comments that have been made by other parties on it, that  
3 essentially that material amplified by the answers we have  
4 received this morning, gives us a full and complete picture  
5 of this construction?

6 MR. MERRILL: We believe so, Mr. Commissioner. We  
7 have reviewed it again and we believe the affidavit -- the  
8 letter is still follows.

9 COMMISSIONER BRADFORD: You had an earlier dialogue  
10 over costs of shutting down and resuming. You have had  
11 some experience with that already, last year.

12 Did you in fact lose a lot of supervisory people  
13 and a lot of workers during the last shutdown?

14 MR. SHERRY: At that time, when we were shutdown,  
15 we had barely started. Roughly, we had just got into the work  
16 in contrast to where we are at that time. We are up to  
17 a force of, maybe as I recall, 700 or 800. When we were  
18 shutdown we dropped back to 300. Since then we have gone and  
19 doubled that force practically.

20 COMMISSIONER BRADFORD: Did you get most of those  
21 800 back?

22 MR. SHERRY: The work force that was available to  
23 us at that time, yes. We got a few of them, because the entire  
24 area, fortunately for us, had quite a few manpower available  
25 in the categories that we needed at that time, we were doing

1 excavation and that type of work.

2 MR. MERRILL: Commissioner, we kept most of the  
3 supervisory people at that time, because the numbers were not  
4 that great, although we did lose -- have some attrition out  
5 of the supervisory work force.

6 COMMISSIONER KENNEDY: But again, let me be sure  
7 that I understood.

8 You are talking about you see the situation  
9 differently now, I take it, from what you have said?

10 MR. SHERRY: Yes.

11 COMMISSIONER KENNEDY: And what's the reason? The  
12 reason was that principally constructives, that is excavators ---

13 MR. MERRILL: We were doing such things as building  
14 temporary buildings, just barely starting moving rock. The  
15 technical people, the welders, machinists were not on the site.

16 COMMISSIONER KENNEDY: What is the percentage of  
17 the total 2200 that are in that category now, roughly?

18 MR. SHERRY: Fifty percent.

19 COMMISSIONER KENNEDY: Fifty percent are in the  
20 high-skill categories, welders, technical types.

21 MR. SHERRY: Iron workers, pipe-fitter welders,  
22 electricians.

23 COMMISSIONER KENNEDY: Okay.

24 MS. WEISS: Do you have a labor strike at the site  
25 now?

1 MR. SHERRY: We have a teamster contract that  
2 expired, their negotiations. And the teamsters have given  
3 us a five-day notice.

4 MS. WEISS: A five-day notice. Did they intend  
5 to strike at the end of five days?

6 MR. SHERRY: No, they have given their five-day  
7 notice and the teamsters are on strike as of last Friday  
8 night.

9 MS. WEISS: Is that interfering with construction  
10 in any way?

11 MR. SHERRY: It will for a week or two. Any time  
12 you have a strike in construction it always interferes with  
13 the work, but that's the name of the game.

14 MS. WEISS: You say a week or two because you assume  
15 it will be settled by then?

16 MR. SHERRY: Yes.

17 MS. WEISS: That's not necessarily true.

18 MR. SHERRY: Well, hopefully they say it will be.  
19 We had 5 major negotiations expired at the end of May and  
20 all settled during the month of May. Carpenters, labors,  
21 bricklayers, cement finishers and electricians, all of whom  
22 settled their contracts. So work has continued. The teamsters  
23 elected to give us a five-day notice.

24 COMMISSIONER KENNEDY: The teamsters are on strike  
25 there now?

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MR. SHERRY: Yes, sir.

COMMISSIONER KENNEDY: Is that affecting others?

MR. SHERRY: None of the other craft, except that it is going to force us to cut back.

COMMISSIONER KENNEDY: But the other crafts are continuing, it is not a shutdown?

MR. SHERRY: No. We have a project agreement by which they are not shutting the other craft down.

COMMISSIONER KENNEDY: There is such an agreement?

MR. SHERRY: Yes, sir.

COMMISSIONER GILINSKY: Well, thank you very much.

COMMISSIONER KENNEDY: Thank you all very much.

MR. SHERRY: Thank you.

(The briefing was concluded at 10:10 a.m.)