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In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Power Station,
Unit 1)

TESTIMONY OF ARTHUR H. PURCELL, DAVID J. OLSON,
MICHAEL LIPSKY AND SUSAN C. SAEGERT REGARDING
CONTENTIONS 11 AND 15

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)

LONG ISLAND LIGHTING COMPANY)

(Shoreham Nuclear Power Station,
Unit 1))

) Docket No. 50-322-OL-3
) (Emergency Planning)
)
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)

TESTIMONY OF ARTHUR H. PURCELL, DAVID J. OLSON,
MICHAEL LIPSKY AND SUSAN C. SAEGERT REGARDING
CONTENTIONS 11 AND 15

Q. Please state your names and positions.

A. My name is Arthur H. Purcell. I am Director of the Resource Policy Institute in Washington, D.C. I served as a senior staff member of the President's Commission on the Accident at Three Mile Island. In that capacity I was the fulltime coordinator of the Commission's Emergency Preparedness and Response Task Force. The Resource Policy Institute is a non-profit research and education group focusing on energy and environmental policy issues. I have served as its Director since founding it in 1975. The Institute maintains offices in Washington, D.C., and Boulder, Colorado. I also serve as an

Associate Professional Lecturer, George Washington University, School of Engineering and Applied Sciences. I hold doctorate, master's and bachelor's degrees in engineering from Northwestern University and Cornell University. My professional qualifications are set forth in more detail in my resume which is Attachment 1 hereto.

My name is David J. Olson. I am Professor and Chairman of the Department of Political Science, University of Washington, Seattle, Washington. My primary area of specialization in the last four years has been the formal organization and behavioral patterns of public corporations owned and operated by agencies of the state, with particular attention devoted to seaport authorities. My professional work has also centered on public responses to civil disorders and what can be done to prevent recurrence of disorders, as well as the nature of political corruption and conflict of interest, all of which are subjects of continuing interest to me. These areas of scholarship address questions of command and control, conflict of interest, and credibility of authorities, which are relevant to Contentions 11 and 15. My professional qualifications are set forth in more detail in my resume which is Attachment 2 hereto.

My name is Michael Lipsky. I am Professor of Political Science at the Massachusetts Institute of Technology, Cambridge, Massachusetts. Within the general field of political science I specialize in American politics, urban politics, and public policy. I have taught graduate and undergraduate subjects related to these subspecialties in political science since 1966, first at the University of Wisconsin at Madison, and since 1969 at the Massachusetts Institute of Technology. I have also taught for brief periods at the University of Massachusetts, the University of Washington, and the Harvard University Graduate School of Education. I have written extensively on delivery of public services in a variety of policy areas such as public safety, education and social welfare.

I am the author of three books and numerous articles appearing in such journals as the American Political Science Review, the Journal of Politics, the Harvard Educational Review, the Journal of Health Policy, Politics and Law, the Tulane Law Review, and the Social Services Review. My book, Street-Level Bureacracy, was awarded the C. Wright Mills Award of the Society for the Study of Social Problems, and was named co-winner of the Gladys Kammerer Award of the American Political Science Association for the best book on national policy published in 1980. My professional qualifications are

set forth in more detail in my resume which is Attachment 3 hereto.

My name is Susan C. Saegert. I am an Associate Professor of Psychology and Environmental Psychology at the City University of New York Graduate School. My professional qualifications are described in my curriculum vitae, which was submitted and admitted into evidence as an attachment to my testimony on Contention 65. See Tr. 2259.

Q. What is the purpose of this testimony?

A. In this testimony we address the concerns raised in Emergency Planning Contentions 11 and 15. Unless otherwise noted, the testimony which follows is jointly sponsored by all of us.

Contention 11

Q. Please state Contention 11.

A. Contention 11 reads as follows:

Preamble to Contentions 11-14. 10 CFR Part 50, Appendix E, Section IV.A requires emergency plans to describe the organization for coping with radiological emergencies, including definition of authorities, responsibilities, and duties of individuals assigned to the licensee's emergency organization and identification

of the State and/or local officials responsible for planning for, ordering, and controlling appropriate protective actions, including evacuations. In the LILCO Transition Plan, in place of "State and/or local officials," LILCO employees (including in the case of the "Radiation Health Coordinator," an unidentified LILCO "Contractor" which, for purposes of these contentions is included in the term "LILCO employees") are identified as being responsible for planning for, ordering, and controlling the entire offsite emergency response. Thus, all the command and control functions, as well as all management and coordination of the entire emergency response, are to be performed by various LILCO employees. (Plan, at 3.1-1; OPIPs 2.1.1, 3.1.1, 3.6.1). Accordingly, the "offsite authorities responsible for coordinating and implementing offsite emergency measures," with whom the LILCO onsite emergency coordinator must exchange information (see 10 CFR Part 50, Appendix E, Section IV.A.2.c), are fellow LILCO employees.

In Contentions 11-14 below, the Intervenor contends that there cannot and will not be offsite emergency preparedness that provides reasonable assurance that adequate protective measures can and will be taken in the event of a radiological emergency at Shoreham because LILCO employees are not able to exercise effectively the command and control responsibilities necessary to plan for, order, manage, coordinate and control appropriate protective actions. Each of the deficiencies identified in Contentions 11-14 results in noncompliance with 10 CFR Sections 50.47(a)(1), 50.47(b)(1), 50.47(b)(3), Part 50 Appendix E, Section IV, and NUREG 0654 Section II.A.

Contention 11. The LILCO employees in command and control positions under the LILCO Plan may experience a conflict

between LILCO's financial and institutional interests and the public's interest, which may substantially hamper their ability to perform the functions assigned to them in a manner that will result in adequate protection of the public. The Intervenor's contend that LILCO employees will have a strong incentive to minimize the public's perception of the potential or actual danger involved in a radiological emergency in order to avoid engendering public or LILCO shareholder disapproval of LILCO, or anti-Shoreham sentiment. Thus, for example, they may not recommend an appropriate protective action in a prompt manner because to do so would be contrary to LILCO's financial interest in maintaining a public perception that Shoreham is not a source of danger. LILCO has failed to institute appropriate measures to ensure the independence of LERO personnel. Accordingly, there is no assurance that correct and appropriate command and control decisions will be made by LILCO employees.

Q. Do you agree with Contention 11, including its preamble?

A. Yes we do.

Q. What is meant by the term "command and control" in the context of responding to an emergency which affects a community?

A. In the context of responding to an emergency which may affect an entire community, "command and control" refers to authoritative direction of activities designed to mitigate the

emergency. It includes: (1) the existence of decision-makers who can and will make authoritative decisions; (2) the existence of a group or groups of people who have been assigned the duty of following and/or implementing the decisions; and (3) a relationship of authority such that the decisions will be accepted as binding by the individuals who are expected to carry them out or obey them. The scope of "command and control" extends to all those individuals who are expected to play some part in implementing the emergency contingency plans, including private agencies and private individuals, as well as the general public which at times is expected to respond to command and control directives. There are thus two aspects to the command and control relationship: readiness and ability to command; and readiness and ability to respond to commands.

Q. Who is responsible for command and control under the LILCO Plan?

A. The command and control functions under the LILCO Plan are to be exercised by LILCO employees or, in the case of the Radiation Health Coordinator, a paid LILCO contractor. The LILCO employees designated to fill command and control positions have management positions in the LILCO corporate hierarchy. For example, the three persons designated to fill the

top position of Director of LERO under the LILCO Plan are the Vice President in charge of Transmission and Distribution (Joseph Acker), the Vice President of Purchasing and Stores (Andrew Wofford), and the Vice President in charge of Employee Relations (Mr. Procelli). The four employees designated to fill the position of the Manager of LERO (the position immediately below the Director) are the Manager of the Power Engineering Department (John Weismantle), the Manager of the Coal Project in the Power Engineering Department (Raymond Plaskon), the Manager of the Customer Service Department (Arthur Seale, Jr.), and the Manager of Engineering (Adam Madson). See OPIP 2.1.1 at 5.6; Deposition of John Weismantle, September 7, 1983 (hereinafter, "Weismantle Depo.") at 83-84, 116-17. These gentlemen clearly hold senior management positions with LILCO and will, for reasons discussed below, be subject to conflicts of interest when performing their LERO functions.

Although Suffolk County has been unable to obtain detailed information about each of these individuals, depositions yielded the following specific data: Mr. Wofford has been employed by LILCO for approximately 15 years, Mr. Weismantle for more than 18 year, and Mr. Seale for more than 37 years. Mr. Wofford and Mr. Seale are LILCO stockholders.^{1/} We infer

^{1/} See Weismantle Depo. at 4; Deposition of Arthur Seale, Jr., October 13, 1983 (hereinafter, "Seale Depo.") at 5,

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from their positions with LILCO that the other senior managers are also likely to be long time company employees who own LILCO stock. The various senior coordinators who represent the command and control level immediately below the Manager of LERO in the LILCO Plan, are also LILCO management employees. See OPIP 2.1.1 at 7 (Health Services Coordinator), 26 (Evacuation Coordinator), 51 (Support Services Coordinator), and 69 (Coordinator of Public Information).

Q. Contention 11 refers to LILCO's failure to ensure the independence of LERO personnel. How is independence related to command and control?

A. Independence from the source or cause of an emergency -- or objectivity -- is essential to effective command and control of an emergency response. One important element in the exercise of effective command and control is the ability to weigh and evaluate the appropriateness of all possible options before making management decisions. Without objectivity, it is quite possible, in the face of emergency management pressures, that the optimal approach(es) will be discarded or ignored

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156; Deposition of Andrew Wofford, October 13, 1983, at 5, 20.

because of pre-existing biases or simple lack of desire to consider all reasonable perspectives.

(Purcell, Saegert) The Three Mile Island accident, representing the single extensive historical experience of record of a nuclear accident, provides some basic lessons in this regard. A number of statements by the utility in the early stages of the TMI emergency clearly indicated that there was little objectivity in the utility's approach to informing the public about the seriousness of the accident. For example, the utility designated its public relations director, instead of a technical spokesperson, for public briefings, and this individual displayed open anger at suggestions that coping with the accident might be beyond the capability of the utility, although this subsequently was shown to be the case. This individual's subjective approach to the emergency, combined with his obvious lack of independence from the utility, led to a serious loss of the utility's credibility with both the public and government officials. For this reason, the Governor of Pennsylvania asked an outside expert from the NRC, an individual presumed to be objective and able to exercise independent judgment, to serve as the manager of the TMI accident response.^{2/}

^{2/} Testimony of Governor Richard Thornburgh, Public Hearing, President's Commission on the Accident at Three Mile Island, August 21, 1979.

After the TMI accident, the utility continued to display behavior that suggests the utility was more concerned with its image and organizational maintenance than with objectively presenting information about the severity of the accident. In a presentation made by the chairman of General Public Utilities in Reading, Pennsylvania on May 30, 1979, two months after the accident, Mr. Dieckamp concluded his "Report to the Met Ed Community" by stating: "As we look forward, we think the plant will be out of service for approximately three years." This was an irresponsible prediction; while tolerance should be allowed for overoptimism, Dieckamp's prediction of a return to service in three years indicates not only that he had little idea of the seriousness of the accident (the fact is that the unit may never return to service), but also that he was so preoccupied with the idea that TMI could not fail totally that he did not even hold forth the possibility that TMI-II was lost.^{3/}

(All) The term "mind set" was used frequently by the President's Commission on the Accident at Three Mile Island to describe institutional biases that seemed to have developed in the nuclear power industry and were evidenced during the TMI

^{3/} "A Report to the Met Ed Community," Metropolitan Edison Co., Reading, Pa; May 30, 1979, Report No. 2.

accident. Individuals employed by a utility are simply too close to the source of the problem to maintain the objectivity and open-mindedness necessary to manage and control the response to an emergency involving a nuclear power plant. Utility employees could serve a valuable function as advisers in emergencies, since they are familiar with the commercial nuclear power systems. But this same familiarity leads to inevitable biases and mind sets that can lead to ineffective or unworkable emergency responses.

Q. Will the LILCO employees responsible for exercising command and control under the LILCO Plan be independent and objective in the event of a Shoreham accident?

A. The LILCO employees assigned to positions of command and control lack necessary independence and objectivity for a number of reasons. First, they are not independent, as the term "independent" commonly is used. To be independent is to be not dependent. This means that the individual is not subject to control by others and not directly affiliated with larger controlling units. The three LILCO employees designated to be the LERO Director are clearly subject to control by others; they are all officers (vice presidents) of LILCO and they report to the President and indirectly to the Board of

Directors. Indeed, Mr. Acker, who is the primary LERO Director (Plan at 3.1-2), was assigned to that position by the President of LILCO (See Acker Depo. at 122), and he has been described by Mr. Weismantle, himself a Manager of LERO, as "representing [LILCO's] top corporate management." (Weismantle Depo. at 35). The four LILCO employees designated to be the Manager of LERO are all managers of departments in LILCO. Clearly, the command and control personnel under the LILCO Plan are in a dependent corporate status to superior officers of the company.

Second, the LILCO employees in command and control positions also lack objectivity in the roles assigned to them as LERO officials. By definition, objectivity requires that facts and conditions are received and dealt with without distortion by personal feelings, prejudices, or interpretations. Yet facts and conditions surrounding a radiological emergency at Shoreham necessarily impact the future existence, well being, profit and public perception of LILCO and LILCO's management. LILCO management level employees cannot help but interpret, judge and feel about those facts and conditions, at least in part, according to their positions in the company. Their relationship with LILCO, their employer, fundamentally and unavoidably compromises their ability to act objectively in the command and control functions assigned to them in the LILCO Plan.

Third, this lack of objectivity is compounded by the extraordinary length of time each has been in LILCO's employ. Members of an organization increase their commitment and attachment to an organization over time. Thus, the lengthy affiliation of these individuals with LILCO reduces their objectivity even further. Equally important, it compromises public and non-LILCO emergency personnel perceptions of their independence and objectivity. See discussion of Contention 15, below.

Fourth, these individuals lack necessary objectivity and independence because of their inadequate training in relevant emergency response management and their institutional inability to be involved in emergency preparedness efforts on a full time or near full time basis. Because of this, they simply lack the tools and perspectives necessary for objective and independent decisionmaking in the event of an emergency at Shoreham. This is discussed more fully in the Suffolk County Testimony regarding Training.

Q. Does the LILCO Plan include measures to ensure the independence of the LILCO employees designated to be in command and control of a response to a Shoreham emergency?

A. From our review, we find no measures by LILCO designed to attempt to ensure independence or objectivity. Let

us add, however, that in our opinion, there are no measures LILCO could take to ensure with any degree of effectiveness the independence or objectivity of LILCO management employees acting in the context of exercising command and control over a nuclear accident at the Shoreham plant which is owned and operated by their employer, LILCO. For the reasons we discuss below, their positions with LILCO render them inherently non-objective.

Q. Contention 11 states that LILCO employees in command and control positions may experience a conflict of interest between LILCO's financial and institutional interests and the public's interest. What does the term "conflict of interest" mean?

A. All organizations have interests embedded in the very structures which define them as organizations and the ends they seek to achieve -- that is, the purposes, objectives and goals that are pursued. The question of conflict of interest is usually associated with behavior of individuals who occupy official positions of public trust in the public sector.^{4/}

^{4/} Generally, organizations are categorized as falling within either the private sector or the public sector. Familiar private sector organizations are trade unions, private firms, and voluntary associations; familiar public sector organizations are national, state and local governments

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Where the pursuit of private gain or advantage accompanies or interferes with the fulfillment of the mandated public trust and responsibilities, a conflict of interest is said to exist. Through history, standards of acceptable conduct for public sector officials have evolved for the purpose of avoiding conflicts of interest or even the appearance of such conflicts.

However, no comparable threshold standards exist for private sector officials. The primary objectives, purposes and goals of a private company (such as LILCO) are to reward stockholders and other investors by making profits. In the course of pursuing these objectives in the private sector, there rarely arises a conflict of interest, or even a question of such conflict, because the firm's interests are narrowly defined and internally consistent, and its goals are oriented toward earning a profit in order to reward investors. When conflicts of interest do arise in the private sector, the conflicts usually

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and specialized limited purpose agencies created by governments. Private sector organizations tend to have more narrowly defined interests than public sector organizations. They also tend to experience "conflict of interest" problems less frequently and less severely than public sector organizations, mainly due to the narrow definition and limited purposes of private sector organizations and the interests they pursue.

involve employees pursuing their individual interests which are at odds with the profit goals of the company, rather than with any "public interest" goals.

LILCO represents a particular type of private firm, given its status as a regulated utility. As a regulated utility it does perform limited public functions (i.e., extending electric service lines to customers within its service area, maintaining and repairing such lines, etc.) as mandated and monitored by the utility regulatory agency of the State. These public functions tend to be of a routine and repetitive sort, where conflicts of interest rarely surface because the public functions are consistent with LILCO's profitability goals. As discussed and developed more fully below, however, the public interest functions which LILCO employees are expected to perform under the LILCO Plan, including attempting to ensure the public health and welfare of Suffolk County residents in a potentially life-threatening nuclear plant accident, are not consistent with the profit goals of LILCO as a private company.

Q. Are the LILCO employees in positions of command and control under the LILCO Plan likely to experience conflicts of interest in the event of a radiological emergency?

A. Yes. The two roles LILCO employees are expected to perform in command and control positions under the LILCO Plan -- managing LILCO for profit making purposes on one hand, and acting to ensure the public safety, health and welfare in case of a radiological emergency on the other -- are potentially conflicting. The latter role places them in a position of public trust (responsibility for emergency planning and plan execution), and conflicts with the former role, which clearly is a position of preserving and furthering the private interests of LILCO as a for-profit entity. In such mutually incompatible and conflicting roles, objectivity may be sacrificed and the appearance of objectivity certainly is eroded.

Q. Please explain.

A. When a private firm such as LILCO attempts to assume responsibilities for activities traditionally located in the public sector -- such as planning for and implementing emergency measures during a radiological emergency -- its goals, purposes and objectives, at least in theory, must expand beyond its normal limited goal of profitmaking. The new goal of affirmatively protecting the public health, safety and welfare must be added and, in theory, must become the primary objective of the company and its employees.

The addition of the goal of providing for the health, welfare and safety of the public would result in a conflict of interest for the LILCO employees in command and control positions, because the steps necessary to achieve that goal in the most effective way are likely to produce results at odds with the profitmaking goal of the company which they ordinarily pursue. We agree with the statement in Contention 11 that LILCO employees will have a strong incentive to minimize the public's perception of the potential or actual danger involved in a radiological emergency in order to avoid engendering the disapproval of the public, LILCO shareholders, LILCO bondholders, or the financial community upon which LILCO relies for investment capital. The LILCO officers and other management employees who are expected to exercise command and control will know that such disapproval could result in financial harm to the company, and possibly to them individually. Similarly, such LILCO employees will have full knowledge of the enormous costs, to the utility and to the society, that would be involved in ordering an emergency response, and they would be mindful of the great loss in public confidence, resulting from the vastly heightened public awareness that people living near the facility are at risk, that would follow such an order.

Thus, the LILCO employees who are in command and control positions under the LILCO Plan owe their allegiance to two inconsistent mandates. On the one hand, as high level employees of LILCO, they report to LILCO's President and Board of Directors and their mandate is to enhance the utility's profits and reputation; and, as long time management employees or officers of the company, their personal prestige, reputation, and economic well-being is inextricably tied to the financial success and organizational stability of LILCO. On the other hand, as the primary decision-makers in the LILCO-run offsite emergency response organization, these same individuals (theoretically) owe their highest loyalty to the public; in that role their mandate is to ignore completely any consideration of LILCO's interests and to protect the public health, safety and welfare. There are inherent, irreconcilable conflicts of interests between these two incompatible roles.

The fact that the individuals in command and control are long time employees of LILCO, with strong personal and economic ties to the utility and its management, produces an additional conflict. Their longstanding and, presumably, ingrained and personal loyalty to the utility and individuals in the management hierarchy, will likely result in a desire to please LILCO management during an emergency. This could be manifested, for

example, by their taking the advice of other LILCO executives, or making statements during the emergency that present management in the most favorable light.^{5/} However, the requirement imposed by their positions in LERO -- that is, loyalty only to the public interest -- presents the opposite demand. If truly answering only to the public, a person in command and control would make independent decisions after evaluating input from the utility and perhaps other sources, and would be objective and forthcoming in portraying the emergency and its dangers without consideration of the public reaction vis-a-vis LILCO or the competence of its management. We are not saying that in every instance LILCO employees necessarily would make decisions that are incompatible with the public interest. We are saying, however, that the LILCO Plan creates conflicts of interest such that we are not confident that the key decision-makers are independent or capable of making necessary judgments in the public interest.

^{5/} This desire to please management could be increased as a result of LILCO's recent personnel reduction actions. As part of an austerity program, LILCO has recently terminated approximately 20% of its work force, including some employees at management levels, including some with decades of service to the company. The combination of increased job insecurity brought about by LILCO's employee terminations, and the employee resentment reportedly generated by the manner in which the terminations were handled by LILCO, (see Attachment 4 hereto), may diminish further the capacity for objectivity of the LILCO employees in command and control positions.

Effective command and control during a radiological emergency requires the exercise of authority traditionally exercised by governments. Such power and authority have traditionally been vested in public officials rather than in the private sector to ensure that their deployment is in the public interest and not used to the benefit of any private or partial interest. This need for objectivity and avoidance of conflicts of interest also explains why we have conflict of interest legislation governing the behavior of public officials during their tenure in office, and why we often require divestiture of corporate holdings by political appointees. No such protection from the effects of conflicts likely to be experienced by those in command and control under the LILCO Plan is provided in that Plan.

Q. How can the lack of objectivity or independence, and conflicts of interest experienced by LILCO employees affect their ability to perform command and control functions in the event of a Shoreham emergency?

A. The conflicts will likely be experienced by the LILCO employees in command and control as they attempt to answer questions such as when to announce the existence of a radiological emergency; how to describe or characterize the

emergency conditions; what protective actions to recommend and when they should be recommended; and when to declare the emergency terminated. We will discuss a few specific examples; first, the decision to announce the existence of a radiological emergency. Under the LILCO Plan, the responsibility for informing or alerting the public of the occurrence of an emergency is assigned to the Director of LERO. OPIP 2.1.1 at 5.

There are two respects in which the exercise of this command and control function would likely be adversely affected due to its performance by LILCO officers. The first of these is the speed and timeliness with which the announcement is made. There may be questions, doubts, or uncertainties about the actual nature of an event in the plant at the outset of an accident. The persons in command and control must weigh the need for beginning an emergency response against the consequences of unnecessarily frightening or worrying the public. A LILCO employee would be more likely than a person not affiliated with LILCO to delay the announcement that an emergency had occurred because of his perception of the adverse personal and corporate consequences of a premature or unnecessary announcement. This would be the case because those LILCO employees designated to fill command and control positions, by training and experience, would be more sensitive to the danger

of compromising LILCO's reputation, undermining public perceptions of LILCO management competence, or eroding esteem for LILCO in financial communities. As officers and management level employees and in some instances stockholders of the company, they would also have a personal interest in avoiding what they would hope would be an unnecessary or premature announcement of an emergency since, if the announcement turned out to be an error, they would be subject to being personally blamed by the company for both the error and the resulting effects on LILCO's image. In addition, the effects on the company could have a direct impact on their own jobs and financial security.

The employee need not be consciously aware of these conflicts for them (1) to result in delayed perception of negative events, or (2) to produce a tendency to misinterpret facts or data in conformity with expectations and desires. All these contingencies could result in a delay in the Director of LERO's decision to announce to the public that an emergency had occurred at Shoreham.

The nature, scope and content of the notification is also likely to be affected by the lack of objectivity and conflicts experienced by the LILCO personnel in positions of command and control. For many of the same reasons specified above with

respect to the promptness question, the extent to which the severity or seriousness of a particular radiological emergency is conveyed to support personnel or to the public generally, as well as the manner in which the emergency is characterized or described, particularly when some uncertainty exists, is likely to be influenced by the fact that the individuals responsible for deciding on the content of public information are LILCO employees rather than non-LILCO employees.

Second, the decision to recommend protective actions is also one that is likely to be adversely affected by the conflicts of interest experienced by LILCO personnel in command and control positions. It is one thing to alert the public to the occurrence of an accident; it is much more significant, however, to tell the public (1) that the accident has resulted in a release of radioactive materials, and (2) that the public must take what may be perceived as drastic affirmative actions with an undefined probability of success in order to avoid physical harm. Thus, admitting the existence of an emergency is contrary to LILCO's corporate interests and admitting that the emergency is so severe that it is health threatening and requires disruption to the lives of large numbers of people, is an even more difficult step. Again, the risk of delay in making such an announcement must be weighed against the risk

involved in unnecessarily or prematurely frightening members of the public or causing them to begin to evacuate or take other actions in an effort to protect themselves. For the same reasons we discussed above, we believe that the conflicts of interest experienced by the LILCO personnel in command and control positions are likely to result in their weighting those risks differently than would an independent authority not affiliated with LILCO. LILCO employees are more likely to delay making protective action recommendations.

Third, conflicts generated by the affiliation of command and control personnel with LILCO, similarly are likely to affect their decisions as to what protective actions should be recommended. In particular, the LILCO personnel in command and control positions will believe that the disruption, confusion and anxiety generated by an evacuation recommendation is likely to be far greater than that generated by a sheltering recommendation, assuming that persons will actually obey a sheltering recommendation. Moreover, once an evacuation order is given, complex procedures regarding traffic control, busing people without access to cars, evacuating school children and patients in health care facilities, and activating relocation centers, all involving large numbers of workers and equipment, must be put into effect and coordinated. And, an evacuation once

begun, is difficult to call off or reverse. Sheltering, on the other hand, is a much easier action for LILCO's offsite response organization to implement, at least in the short term. The recommendation is made, and it is assumed that most people will stay in their homes (or schools or hospitals) until they are told it is safe to come out. The majority of LERO's field workers (as opposed to those with coordination or communication roles) are not called upon to act, and, in theory, the amount of immediate disruption caused in the community is less since the problems of assembling families and relocating them to distant areas are avoided. As a result of the conflicts of interest discussed above, the LILCO employees in command and control may be more likely than non-LILCO authorities to recommend sheltering as a protective action, even if evacuation were the more appropriate protective action, because of the relative "ease" with which a sheltering recommendation could be implemented and the relative lack of short-term disruption.

Finally, the most obvious conflict of interest scenario in the event of a Shoreham accident is the one we have discussed above in which the Director of LERO feels compelled to take an action that does not harm the image of the utility, despite its possible inappropriateness for the general population. But a different scenario presents an equally difficult problem, and

one which appeared to be significant in the Three Mile Island situation. This is the case of the LERO Director feeling pressure to rely on the counsel of other LILCO management employees during an emergency in order to demonstrate loyalty to LILCO management -- regardless of the competence, objectivity, or nature of such counsel.^{6/} Indeed, since under the LILCO Plan almost everyone with whom command and control personnel are to consult is a LILCO employee or paid contractor, such pressure is unavoidable. Thus, the LERO Director could make inappropriate decisions not necessarily in an effort to minimize public relations damage or potential harm to his own reputation or position, but rather based on advice from non-objective or biased LILCO employees. Moreover, if officials with command authority feel pressures to consult with others, they are likely to spend precious time locating and consulting others when the situation may require speedy, authoritative judgment. Thus, conflict of interest may lead to delay and compromise the effectiveness of emergency response procedures.

^{6/} For instance, the LERO directors will rely on LILCO personnel for data regarding the seriousness and conditions at the plant. A LILCO employee who is the LERO Director is less likely to critically challenge the wisdom of recommendations emanating from LILCO personnel at the plant than would a person in command and control having no direct ties to LILCO or LERO.

The result of the conflicts of interest we have discussed upon implementation of the LILCO Plan is two fold. First, the conflicts would affect the LILCO employees' ability to perform properly the roles assigned to them -- i.e., they would have difficulty making necessary decisions and they would have a tendency to make the wrong decisions. Second, given the conflicts, the public at large and non-LILCO emergency personnel would have rational bases for withholding their trust in LILCO employees in command and control positions, and for refusing or hesitating to comply with orders or recommendations made by LILCO employee (we will discuss this further below). This would result in the delay or complete failure of LILCO's attempt to implement protective actions, and the delay or failure of the public to be protected adequately.

Q. What is your conclusion concerning Contention 11?

A. We conclude that in light of the conflicts of interest which will be experienced by the persons in command and control of the emergency response under the LILCO Plan by virtue of their being LILCO officers and management employees, there can be no finding of reasonable assurance that correct or appropriate command and control decisions will be made in a timely manner. Thus, there can be no assurance that adequate

protective measures could or would be taken in the event of a Shoreham emergency.

Contention 15

Q. Do you agree with Contention 15?

A. Yes we do. That contention and its preamble read as follows:

Preamble to Contention 15. The LILCO Plan is dependent upon LILCO/LERO personnel providing essentially all necessary information and recommendations which are required during an emergency. Contention 15 addresses the question whether LILCO/LERO recommendations for protective actions (and other information provided by LILCO/LERO) will be believed and followed or whether LILCO will be distrusted as a source of information with the result that its protective action recommendations (and other information provided) will not be believed or followed by the public.

Contention 15. Intervenors contend that LILCO is not considered by the public to be a credible source of information. More than 60 percent of the people in Suffolk County would not trust LILCO officials at all to tell the truth about an accident. See Social Data Analysts Survey. Persons are more likely to question, refuse to believe, disobey or ignore orders, recommendations, or information that come from persons whom they do not believe than that from authorities they trust and consider credible.

Because the public does not perceive LILCO as a credible source of information,

protective action recommendations and other information disseminated by LILCO in an emergency will not be followed or believed by the public. Further, LILCO may be viewed hostilely as the source of the problem in the first place, or skeptically because the public will perceive that it is not in LILCO's financial interest to disclose all pertinent information. (Members of the public will perceive that LILCO will not disclose the seriousness of an accident due to fears of lower ratings in the financial markets, NRC sanctions, or a lower public image than already exists.) Therefore, people will be likely to disregard or disobey protective action recommendations or other emergency instructions disseminated by LILCO during an emergency. Intervenor's thus contend that the LILCO Plan cannot and will not be implemented, and accordingly, there can be no finding of compliance with 10 CFR Section 50.47. The paragraphs which follow set forth the particular aspects of, or operations contemplated by, the LILCO Plan which cannot be implemented as a result of LILCO's lack of credibility, and the resulting lack of regulatory compliance.

Contention 15 also has seven subparts, which we will discuss separately below.

Q. What is meant by the term "credibility" and how does it relate to the implementation of LILCO's emergency plan?

A. Credibility means the extent to which someone or something is considered capable of being believed. The concept relates to implementation of LILCO's emergency plan in several important ways.

(Saegert) First, for people to be willing to follow an emergency plan, the plan itself and its contents must be credible.^{7/} That is, it should present information about the characteristics of the emergency that are health threatening in a way that addresses people's beliefs and concerns. It should recommend courses of action that seem plausible, adequate and capable of being carried out.^{8/} The recommended actions should take into account people's priorities, needs and behavioral intentions and should not include courses of action that conflict with what people believe they and others would do in an emergency.^{9/}

^{7/} Drabek, T.E. & Boggs, K.S. "Families in Disaster: Reactions and Relatives," Journal of Marriage and the Family, 1968 30, 443-451; Perry, R.W., Lindell, M.K. & Green, M.R., "The Implications of Natural Hazard Evacuation Warning Studies for Crisis Relocation Planning, Battelle Human Affairs Research Center, Seattle, Washington: February, 1980. FEMA #B-HARC-411-035; Quarantelli, E.L. "Disaster planning: Small and Large -- Past, Present and Future, "Disaster Research Center, Ohio State University, February, 1981, Article 141; Sims, J.H. & Baumann, D.B. Educational Programs and Human Response to Natural Hazards," Environment and Behavior, 1983, 15, 165-189.

^{8/} Christensen, L. & Ruch, C.E., "Assessment of Brochures and Radio and Television Presentations on Hurricane Awareness," Mass Emergencies, 1978, 3, 209-216; Janis, I.L., "Psychological Effects of Warnings," in G.W. Baker & D.W. Chapman (Eds.). Man and Society in Disasters, New York: Basic Books, 1962.

^{9/} Davenport, S. & Waterstone T. Hazard Awareness Guidebook: Planning for What Comes Naturally, Austin, Texas: Coastal and Marine Council, 1979; Drabek, T.E. & Stephenson

(Footnote cont'd next page)

(All) Second, for a plan to be credible people must believe that the entity or individuals responsible for directing implementation of the plan know what they are doing, are committed to the plan, and are capable of carrying it out. That organization must be seen as an honest and believable source of information and a trustworthy advisor during a crisis. Credibility takes on added significance during an actual emergency. As LILCO's witnesses Dennis Mileti and John Sorensen stated in testimony previously submitted: "Emergency public information or warnings must seem credible and reliable to the people receiving them." They also stated that "If people learn or suspect that they are not receiving the 'whole truth,' they are likely to ignore instructions about how to respond, and respond instead in ways consistent with their suspicions."^{10/} The credibility and reliability of the organization and personnel involved in assessing the existence of a

(Footnote cont'd from previous page)

III, J.S., "When Disaster Strikes," Journal of Applied Social Psychology, 1971, 1, 187-203; Lewis, J., O'Keefe, P. & Westgae, K.N., "A Philosophy of Precautionary Planning," Mass Emergencies, 1977, 2, 95-104.

^{10/} Testimony of Matthew C. Cordaro, et al. on Behalf of the Long Island Lighting Company on Phase II Emergency Planning Contentions 23 (Shadow Phenomenon) and 65.C.2 and 65.F (Panicked Drivers), ff. Tr. 1470, at 27, 28.

threat, reporting on it, providing directives for action and managing the actions to be taken must be high in order for the public to accept guidance from these sources.

As discussed above, under the LILCO Plan, LILCO personnel are assigned to fill all command and control positions. Because credibility has a direct effect on one's ability to exercise effectively command and control of an emergency response, LILCO's credibility will have a direct impact on the implementation of the LILCO Plan. Specifically, the major qualifications for an individual from one organization to be able to exercise command and control over either the public or personnel in unrelated organizations (as is required of command and control personnel under the LILCO Plan) center around the credibility and the competence of the individual and of that individual's organization. However, the first is a prerequisite to the second. If the organization with which the individual is associated has low credibility in the mind of the public, no amount of personal competence can surmount the difficulties that individual will face in attempting to exercise command and control during an emergency. Similarly, an individual with minimal actual or perceived competence, even if associated with a very credible organization, will face severe obstacles in attempting to exercise command and control.

Q. Contention 15 alleges that LILCO is not considered by the public to be a credible source of information, and cites the Social Data Analysts Survey which is discussed in a separate piece of testimony. Are you aware of any other data that support the proposition that LILCO is not considered by the public to be a credible source of information?

A. In his testimony on Contention 15, Stephen Cole cites other surveys and data which support the results of the Social Data Analysts Survey. In addition, a variety of public entities have made similar findings. For example, the findings and conclusions of the New York State Fact Finding Panel on the Shoreham Nuclear Power Facility ("Marburger Commission"), which were reported to Governor Cuomo after six months of hearings and data gathering, have been widely publicized in the local press. A sample of such press reports is included in Attachment 5 hereto. Among other things, according to press reports, the Marburger Commission made the following findings:

The Shoreham plant's long construction time and its staggering expense have contributed to a loss of public confidence on Long Island in traditional sources of judgment on utility planning and regulation

LILCO did not prepare itself adequately for its foray into the technology of nuclear power, and still lacks credibility as an operator of a nuclear power plant.

See second item in Attachment 5, titled "Excerpts from Shoreham Report." These findings are significant for two reasons. First, the Marburger Commission's apparent conclusion that LILCO lacks credibility supports the survey results cited in Contention 15. Second, the wide publicity received by the findings is likely to cause public perception of LILCO and its credibility to become even more negative.

Similarly, several Boards of Education and other organizations affiliated with school districts in and near the EPZ have adopted resolutions which set forth the belief that LILCO is not credible or objective, and their unwillingness to rely upon LILCO officials for information or advice during a Shoreham emergency. Such resolutions comprise Attachment 6 hereto. For example, the Mount Sinai Parents Teachers Organization states the following in its resolution, which identifies nine specific weaknesses in LILCO's Plan as it pertains to schools:

In the LILCO Plan, the only source of public information during an emergency is LILCO itself. As a result of LILCO's past statements and actions with regard to Shoreham, many of us in our community are already skeptical of LILCO's words and intentions. The fact that LILCO might also be involved in a conflict of interest -- being both operator of the plant and initiator of emergency actions -- would tend to intensify doubts about the validity of LILCO's information during an emergency.

A resolution affirmed on August 15, 1983 by the Middle Country Central School District's Board of Education states:

[T]he Long Island Lighting Company has not been able to ensure that its proposed Shoreham Power Plant can meet acceptable safety standards. . . .

And a resolution adopted by that Board on November 7, 1983 states:

In the LILCO Plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK-AM Radio will both describe the extent of the emergency and recommended actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School Administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of information from an objective source.

As reflected in Attachment 6, resolutions containing similar statements have been adopted by the Miller Place Union Free School District Board of Education, the Mt. Sinai Teachers' Association, the Middle Island Central School District Board of Education, St. Andrew's School Board, and the Board and Membership of the Sound Beach Pre-School Co-Op. Each of the above-referenced resolutions identifies several problems with

LILCO's Plan as it pertains to schools, and concludes that the LILCO Plan does not offer adequate protection for school children or parents. In addition, the William Floyd Union Free School District School Board, the Mt. Sinai Board of Education and the Board of Trustees of the New Interdisciplinary School have passed resolutions which do not list specific problems in the LILCO Plan, but which state their belief that LILCO's Plan is not realistic or workable, or does not provide adequate protection. See Attachment 6. Again, these resolutions further corroborate our view that LILCO is not considered a credible source of information in the event of a Shoreham emergency.

Additional corroborative support for the view that LILCO is not a credible source of information comes from a variety of national studies which indicate public suspicion of the nuclear power industry. For example, a study performed by LILCO witness Steve Barnett for the U.S. Department of Energy, entitled "Public Perceptions of Future Electric Supply, Utility Financial Conditions, and Related Issues," November, 1982, which utilized a nationally administered survey questionnaire, concluded, among other things, that the nuclear utility industry "has serious credibility problems concerning its competence and honesty."^{11/} Sixty four percent of the national sample stated

^{11/} Public Perceptions of Future Electric Supply, Utility Financial Conditions, and Related Issues, November 1982, at 29.

that the utility industry has not been honest about the safety of nuclear power; only 26 percent believed that the industry has been honest on that subject.^{12/}

Similarly, a majority of the people sampled in the counties surrounding the Indian Point nuclear power plant stated that they distrusted the utility (Con Ed) for advice and information in a radiological emergency.^{13/} And, in a study of 1600 households in the State of Washington, utility companies were listed among those sources of information on nuclear power that were distrusted more than they were trusted.^{14/} These data and the Barnett data reveal a consistent distrust of utilities operating nuclear power plants, and show that even operating nuclear power facilities are not seen as credible (i.e. believable and competent) sources of information. Thus we would expect that LILCO's existing lack of credibility will continue in the future.

^{12/} Id. at B-8.

^{13/} Altshuler, R.J., "Ready or Not: Public Preparedness for an Accident at Indian Point," New York: New York Public Interest Research Group, Inc., 1982.

^{14/} Nealy, S.M. & Rankin, W.L. "Nuclear Knowledge and Nuclear Attitudes: Is Ignorance Bliss?" Battelle Memorial Institute Human Affairs Research Center, B-HARC-411-002.

Finally, LILCO's credibility, as evidenced in the surveys and other materials cited above, has undoubtedly been reduced even further in recent months, for at least two reasons. First, during the past few months, there has been substantial publicity in Long Island newspapers about LILCO's alleged management incompetence. In addition to the Marburger Commission findings noted above (see Attachment 5), some examples of these articles are appended hereto and we discuss below their effect on LILCO's credibility.^{15/}

For example, there has been extensive press coverage of the failure of the emergency diesel generators at Shoreham during both testing and retesting following attempts by LILCO to repair the engines. See Attachment 7 hereto, which includes a sampling of newspaper stories on this subject. Despite reported statements by the NRC and others concerning the incompetence of the manufacturer of the faulty engines, their unsuitability, and the safety risk posed by LILCO's proposed use of them, according to press reports LILCO has persisted in defending both its choice of engines and the propriety and adviseability of using them for at least 18 months of plant operation.

^{15/} Many of the articles in Attachments 5 and 7-11 are from Newsday, the major Long Island newspaper, which has a daily circulation of approximately 525,000.

Similarly, there has been extensive press coverage of the constantly increasing delay and increased costs involved in completing the Shoreham plant and statements that both the delay and the cost are attributable to LILCO management errors. Indeed, an October 9, 1983 Newsday headline stated that a poll "indicates majority blame LILCO 'mismanagement' for N-plant's rising costs," and the article discussed what was reported as a "dramatic change of attitude" between February and October 1983 concerning LILCO's competence. See Attachment 8 hereto.

Further, the press has reported that the Staff of the New York Public Service Commission has recommended that approximately \$1.5 billion of the projected cost of Shoreham should be borne by LILCO rather than its ratepayers, because those costs are attributable to LILCO mismanagement. Attachment 9 hereto includes a sampling of articles related to the Public Service Commission Staff recommendations. In addition, other governmental entities and authorities have also reportedly made serious allegations about the competence or prudence of LILCO's management with respect to Shoreham. See, e.g., Attachment 10 hereto, for newspaper articles concerning such allegations by the NRC, the New York State Consumer Protection Board, Suffolk County, and New York Governor Cuomo. These well publicized suggestions of LILCO incompetence, inexperience and

mismanagement (regardless whether true or not) will combine with the preexisting public perception that LILCO lacks the objectivity or capability to handle an emergency to decrease further LILCO's credibility.

Second, LILCO's recently imposed policy of refusing to respond to, or comment upon, reports in the press relating to Shoreham, emergency planning, or any other matter will also further decrease LILCO's credibility. See Attachment 11 hereto, which is an editorial in Newsday which states, among other things:

LILCO's current uncommunicative policy could undermine the credibility it needs to convince the NRC and the public that it's capable of managing its own emergency plan for Shoreham. . .

[LILCO's President] Catacosinos isn't helping LILCO by trying to keep the public in the dark about the company and Shoreham.

Q. How does publicity about LILCO's mismanagement relate to LILCO's credibility as a source of information during a radiological emergency?

A. Perceptions about LILCO's management competence will have a profound effect on perceptions of LILCO's credibility in the event of a Shoreham emergency. Perceived management

incompetence will lead the public and non-LILCO organizations to doubt the adequacy of both LILCO's Plan and LILCO's ability to implement it successfully or properly. Both planning and implementation will be expected to suffer from the same perceived incompetence marking LILCO's other planning and implementation efforts related to Shoreham which we have discussed above.

In addition, perceptions of LILCO's organizational incompetence will lead the public and non-LILCO organizations to doubt the individual competence, and therefore credibility, of the LILCO employees assigned to implement the Plan for three reasons. First, the lack of objectivity and conflicts of interest discussed earlier, that can lead the LILCO personnel in command and control to ignore, delay disseminating, or distort information having negative consequences for the organization, may well be assumed by the public to exist. Thus, any genuine or legitimate hesitation, misunderstanding or lack of clarity demonstrated by LILCO personnel during an emergency may well be attributed by the public to efforts to protect LILCO's interests at the expense of the public. Second, perceptions of LILCO's organizational incompetence will also lead the public to doubt the adequacy and propriety of plans and operating procedures being implemented by LILCO, thus leading to

non-compliance. Third, perceptions about LILCO's incompetence will also lead to suspicions that LERO personnel have not been trained to acceptable standards of competence. Thus any mistakes made by individual LERO personnel will confirm the existing presupposition that LERO as a whole is incompetent to manage an emergency.

Q. Are there any other reasons why LILCO will not be perceived as a credible source of information and direction during a Shoreham emergency?

A. Yes. As we just discussed, when an organization or an individual acts in an emergency, the nature of the actions will be interpreted in light of previous opinions about the organization or person. However, as an actual emergency develops, LILCO is likely to lose credibility even further. Since while the plant is operating it will be LILCO's job to assure safe operation of the plant, any accident that occurs will be interpreted by the public as both a breach of faith and evidence of LILCO's incompetence. Public perception of LILCO's absence of credibility and competence will be extremely salient from the onset of any emergency at Shoreham; that is, when news of the accident breaks, it will be uppermost in people's minds that LILCO failed to ensure public safety. Previous statements

by LILCO about the plant's safety will be perceived to have been proven untrue. Thus, at that moment more than at any other time, mistrust of LILCO and skepticism about LILCO's competence are likely to be high. As a result, LILCO's already low credibility will spiral downward once an accident happens, because much of the public will link the emergency to some error committed by LILCO.

In the event of a Shoreham accident, under the LILCO Plan the very company that is viewed to have caused the emergency will be seeking to be believed and obeyed, by holding itself out as having the ability to lead the public out of the emergency. We believe that LILCO's efforts to control information will actually be perceived as further evidence of an effort by LILCO to avoid or deflect blame for the emergency in the first place.

In summary, the public distrusts information provided by nuclear utilities. Beyond this, LILCO's credibility on Long Island is low and is exacerbated by the public perception of both potential conflicts of interest involved in the LILCO Plan and LILCO management incompetence. For all these reasons, we believe that the public will not view LILCO as a credible source of information or direction during a Shoreham emergency.

Q. How does LILCO's lack of credibility, as discussed in Contention 15, relate to the issues you have discussed with respect to Contention 11?

A. For many of the reasons discussed in connection with Contention 11, LILCO's preexisting lack of credibility will be substantially increased if LILCO were to attempt to implement its proposed emergency plan.

LILCO's lack of credibility will cause the public to question the accuracy and adequacy of notice that an emergency exists, to doubt that the full dimensions of the emergency are being conveyed to them in a manner that accurately discloses the true nature of the emergency, and to question the propriety, accuracy and adequacy of the protective actions recommended by LILCO. The public would have an understandable basis for such distrust because, as discussed above, the LILCO employees who are in command and control and are the source of information provided to the public, will lack objectivity and will experience substantial conflicts of interest. This public perception is evidenced in the school related resolutions discussed above and included in Attachment 6.

The public similarly is likely to disbelieve statements made by officers and employees of the company that is responsible for the emergency, and will not believe that those employees are acting in the best interests of the public's health and safety rather than LILCO's own corporate welfare. Thus, information provided by LILCO employees prior to or during an emergency would be ignored by many people, and in any event, is likely to be interpreted in a variety of ways not anticipated or intended by LILCO. Thus, reassurances that no real danger exists, that danger is minimal, or that particular actions will protect, would be viewed skeptically and could increase some people's fears that the situation was serious and that LILCO was covering it up.

Q. Please state subpart A of Contention 15.

A. That subpart reads as follows:

Contention 15.A. LILCO employees are assigned the responsibility of command and control over the personnel in the support organizations relied upon in the Plan for emergency response services (ARC, DOE-RAP, ambulance, fire, rescue organizations, local law enforcement agencies, and the U.S. Coast Guard). (OPIP 2.1.1; Plan at 2.2-1, 2.2-2, 2.2-4, 4.2-1). Intervenors allege that such individuals will share the public perception that LILCO is not a credible source of information. Therefore, it is likely that orders from the LILCO employees in command and control will not be

obeyed by the non-LILCO emergency workers relied upon in the Plan. Accordingly, there is no assurance that the portions of the LILCO Plan involving participation of non-LILCO personnel can or will be implemented, and there can be no finding of compliance with 10 CFR Section 50.47(a)(1). The likelihood that non-LILCO workers will not obey LILCO command and control orders means that the following aspects of the LILCO Plan cannot and will not be implemented:

(1) Offsite accident and dose assessment and projection, and recommendations to the LILCO Director of LERO as to what particular protective actions should be recommended to the public, resulting in noncompliance with 10 CFR Sections 50.47(b)(9), 50.47(b)(10), 50.47(c)(2) and NUREG 0654 Sections II.I, J.9 and J.10.

(2) The protective action of evacuation resulting in noncompliance with 10 CFR Sections 50.47(b)(10) and NUREG 0654 Sections II.J.9 and J.10.

(3) Staffing of relocation centers, and the provision of necessary services for evacuees, resulting in noncompliance with 10 CFR Sections 50.47(b)(8), 50.47(b)(10), and NUREG 0654 Sections II.J.10 and II.J.12.

Q. Do you agree with Contention 15.A?

A. Yes we do. The lack of objectivity and credibility of the LILCO personnel in command and control positions is likely to result in noncompliance or at least questioning of directives from LILCO employees by those non-LILCO personnel who are relied upon for actions necessary to implement the

LILCO Plan. Assuming that such persons are in fact going to be available to LILCO,^{16/} individuals affiliated with schools, ambulance companies, hospitals, nursing homes, bus companies, the American Red Cross, the Department of Energy, the U.S. Coast Guard, fire and rescue organizations, and other emergency personnel will in many cases question, doubt, and not believe directives from LILCO employees in command and control for the same reasons as the public. Indeed, most of those non-LILCO personnel will themselves have had more emergency response or other experience pertinent to the actions required of them by LILCO than will the LILCO employees who will attempt to "direct" them. Accordingly, the non-LILCO response personnel are even more likely than the public to follow their own procedures or beliefs as to the best course of action in an emergency rather than to obey a LILCO command.

In addition, non-LILCO personnel are likely to search for confirming information or directives from more credible sources or from sources with whom they are accustomed to dealing before they follow orders from LILCO employees. This will result, at a minimum, in delay and loss of time in initiating or

^{16/} See Suffolk County Testimony on Contention 25 for some explanations of why such individuals are unlikely to be available to implement the LILCO Plan.

implementing a response to the emergency. In any event, the perception of LILCO by persons in non-LILCO organizations is likely to result in such persons failing to follow orders given to them by the LILCO personnel in command and control positions.

Q. Please explain.

A. The effective exercise of command and control -- that is, for there to be compliance and obedience to commands -- requires that those being commanded view the source of their orders as legitimate. The concept of "legitimacy" is closely related to and indeed is part of credibility. Particularly in the emergency context, authority must be viewed as legitimate if compliance is to be secured swiftly and throughout the affected area. The legitimacy of authority is a major component of the credibility of those who make decisions and issue orders.

Q. What do you mean by the "legitimacy" of authority?

A. Social scientists generally agree that those who exercise authority possess legitimacy by virtue of either holding public office, or because of their skill, knowledge and competence.^{17/} The LILCO employees designated to command and

^{17/} See Talcott Parsons, ed., Max Weber: The Theory of Social and Economic Organization, Trans. A.M. Henderson and Talcott Parsons (New York Free Press, 1947), pages 56-57.

control the offsite response to a Shoreham emergency meet neither of these standards. They have not been elected to their positions by the public and themselves hold no public office. And, based upon their LILCO job titles and information obtained by Suffolk County during discovery, they lack the technical competence, knowledge and skill possessed by police, fire fighters and other trained governmental emergency service personnel, whose regular course of employment routinely includes exercising command and control functions during community emergencies. See Suffolk County Testimony on Training.

In the event of a Shoreham accident, the community is unlikely to accept LILCO as the entity in charge of the emergency response. LILCO will be viewed as the perpetrator of the emergency, with vested institutional interests, and will have little community acceptance, and correspondingly low credibility in the role of directing and controlling the response and protecting the public safety. LILCO's legitimacy and credibility will be further reduced because it will be operating independently and without the cooperation or involvement of a governmental entity which is viewed as a legitimate authority.

Responding to an emergency affecting a community, particularly a radiological emergency, fundamentally requires the use

of authority in the command and control of movements of population segments to areas of safety. Government is the only entity in our society that regularly exercises authority in matters of public safety. Only government officials, typically, can get people out of their homes, order people about, command priority service, and so on. The exercise of authority means not only issuing sensible orders, but also being able to have confidence that those orders will be accepted. They will not be accepted unless the entity which issues them has been granted the authority to do so and/or is perceived as legitimate and credible by the public and members of organizations which are expected to follow orders. That will not be the case for LILCO.

Q. Are there any other reasons that LILCO's lack of credibility or legitimacy will lead non-LILCO organization members not to obey LILCO command and control directives?

A. Yes. The LILCO employees designated to act as contact points for non-LILCO organizations responsible for relaying command and control directives, recommendations, and information, generally have no established relationships with the organizations or individuals they are assigned to "coordinate," nor do they appear to have prior experience or knowledge

pertinent to the fields or concerns of such organizations and individuals. As a result, the non-LILCO authorities, such as school and health care facility administrators and law enforcement agencies, are not likely to perceive the LILCO employees as a credible source of directives or information relating to the particular field of expertise or concern in which the non-LILCO authority regularly operates. Thus, the general lack of credibility assigned to LILCO as an organization will be exacerbated by the lack of particularized experience and knowledge likely to be evidenced by individual LILCO coordinators.

Q. Please explain.

A. Discussion of some specific examples will be helpful. First, according to OPIP 2.1.1, the three LILCO employees designated to fill the position of "Health Facilities Coordinator" are the LILCO Marketing Planning Program Coordinator, the LILCO Commercial Industrial Service Representative, and a LILCO Project Coordinator.^{18/} (OPIP 2.1.1 at 42) The Health

^{18/} According to the computer printout of LERO workers dated October 27, 1983, which was provided by LILCO to Suffolk County during discovery, all three of these individuals are from the Marketing Department. To date, however, LILCO has not yet been able to respond in detail to a County inquiry as whether these previously identified LILCO employees are still with the Company following its termination of over 800 members of its work force.

Facilities Coordinator is assigned the following responsibilities in the LILCO Plan:

- (a) Acting as a point of contact with the local hospital, nursing homes, and other inpatient health care facilities providing information/recommendations as appropriate.
- (b) Coordinating the evacuation of the health care facilities, resolving transportation difficulties through close coordination with other LERO coordinators and the health care operators.
- (c) Providing status reports to the Special Facilities Evacuation Coordinator.

OPIP 2.1.1 at 42. Thus, these three LILCO employees are expected to deal with administrators and others in charge of medical facilities in connection with the implementation by those facilities of a LILCO directive to evacuate their patients.

It does not appear from their LILCO job titles that any of the three individuals assigned to be the Health Facilities Coordinator normally has anything to do with hospitals, nursing homes, their administrators, or the needs, concerns or problems likely to be on the minds of such administrators when contemplating an evacuation of all their patients. Suffolk County was able to depose the LILCO Marketing Planning Program Coordinator who is one of the gentlemen designated to be the Health Facilities Coordinator.

This deposition testimony confirms that he has virtually no relevant experience likely to create in health care professionals confidence or trust in his advice concerning evacuation of ill patients.^{19/} As of September 1982, Mr. Biggers had worked in the LILCO Marketing Department for 19 months. Previously, he had been a sales manager for Gillette Company, held various management positions with Hertz Corporation, and held the position of customer service supervisor for Allstate. One of his major projects for LILCO involved the development of a marketing strategy for bringing the heat pump into use in Long Island. (Biggers Deposition, at 4-8.) At the time of his deposition, Mr. Biggers had attended "six or seven" of the six classroom training sessions assigned to his LERO position. (Id., at 23). However, he did not know what health facilities he was expected to "coordinate" in his LERO job. (Id., at 27). He had never had any contact with any hospitals, nursing homes, or adult homes in the EPZ, or with ambulance companies or rescue squads. (Id., at 51-53) He had never received accredited first aid instruction other than a Red Cross course in swimming in the 1970s. (Id., at 60). Clearly he has no relationships or experience that would enable him to

^{19/} See Deposition of James V. Biggers, September 22, 1983 (hereinafter, "Biggers Deposition").

speaking authoritatively or knowledgeably about the problems or concerns likely to arise in connection with an evacuation of medical facilities.

Similarly, the persons designated to fill the position of Public Schools Coordinator are the LILCO Administrator -- Administration Services, the LILCO Administrator -- Economics Research, a LILCO Department Manager -- Transportation, a LILCO Consumer Service Representative, a LILCO Engineer, and a LILCO Commercial and Industrial Representative. OPIP 2.1.1 at 40. The duties of the Public Schools Coordinator include:

(a) Acting as a point of contact with the local public school district authorities, providing information/relaying LERO recommendations as appropriate.

(b) Coordinating the evacuation of public schools, resolving transportation difficulties through close coordination with other LERO coordinators and school district officials.

OPIP 2.1.1 at 40. Suffolk County deposed Ronald Brady, a Consumer Service Representative, who is assigned the position of Public Schools Coordinator.^{20/} He lives in Wantagh, Nassau County and works in Mineola. (Brady Deposition at 8, 9). He

^{20/} See Deposition of Ronald Brady, September 22, 1983 (hereinafter, "Brady Deposition").

stated in his deposition that he knew "nothing, really" about the public schools in the EPZ, that he had had no contact with the schools, and no contact with superintendents, school boards, or bus companies. (Id., at 24, 44, 45). It does not appear that Mr. Brady, or, based on their LILCO job titles, any of the other individuals designated to be Public Schools Coordinator, have developed relationships or experience that would enable them to speak authoritatively or knowledgeably about the problems or concerns likely to arise in connection with the evacuation of public schools.

A LILCO Systems Designer in the Information Systems Department, an Administrator Assistant to the Controller, and the LILCO Corrosion Operations and Instrumentation Supervisor, are similarly unlikely to have developed relationships or experience relevant to their acting as a credible or knowledgeable point of contact for local law enforcement agencies, and fire and rescue agencies, as they are expected to do in filling the position of Public Services Liaison. See OPIP 2.1.1 at 10.

Generally, inter-agency relationships of the type required under the LILCO Plan may be thought of as created, negotiated and cemented by boundary personnel. In lay terms, boundary personnel are individuals who have developed relationships of

trust, understanding, and respect with each other and each other's organizations. The employees designated in the LILCO Plan to be liaison or coordinators with necessary non-LILCO entities do not possess by virtue of previous experience the necessary background of boundary personnel.

Q. How does LILCO's failure and inability to develop boundary personnel relate to LILCO's lack of credibility and its ability to implement its Plan?

A. LILCO's Plan depends upon cooperation of a wide range of public institutions such as hospitals, schools and fire departments. To achieve such cooperation, governments and specialized agencies normally draw upon ongoing relationships with each other -- relationships negotiated by boundary personnel through regular interaction on a variety of matters. They depend upon the shared assumptions that each party in these relationships has the right to call upon the other's cooperation. A private utility has no such right except perhaps in its specialized functional areas, such as supplying electric power. A private company such as LILCO cannot assume the cooperation of public agencies or other private entities, particularly when the company (here LILCO) seeks to assert itself by exercising authority and providing necessary

information and advice in areas that involve the relatively exclusive territory and expertise of others. And, LILCO's proposal to rely on employees who have no prior contact with, or experience relevant to such specialized entities will merely exacerbate the credibility gap. Thus one might expect discussions of LILCO employees with hospitals and other health care facilities on emergency health procedures, and with schools on matters of childrens' safety, to be fractious and problematic.

This is not to say that it is impossible to imagine the LILCO employees successfully dealing with the pertinent non-LILCO authorities. It is to say that the LILCO Plan fails (1) to recognize the need for, and the difficulties involved in establishing cooperative relations with ancillary institutions, and (2) to provide for the resolution of such difficulties. Without established relationships of trust and confidence, there can be no assurance that the schools, health care facilities and other non-LILCO organizations relied upon by LILCO will follow LILCO's command and control directives.

Moreover, LILCO has already demonstrated boundary organization relationship difficulties. For example, officials from several school districts, health care facilities, and the Suffolk County Police Department have stated that they believe

the LILCO Plan is unrealistic and unworkable with respect to their areas of concern and expertise.

Q. In your opinion, does LILCO's proposal to assign the command and control role of Radiation Health Coordinator to a LILCO contractor eliminate the problems you have identified and discussed, in connection with Contentions 11 and 15, as arising from LILCO's status as a private corporation with low credibility?

A. No. The use of such a contractor would not only not avoid problems associated with authority, legitimacy, conflict of interests and credibility, but such a contract relationship would actually compound those problems. The "Radiation Health Coordinator" would be directly dependent upon LILCO for the contract, and for its future renewal, and, thereby, would possess a set of interests in appealing to and meeting LILCO interests in conflict with the public's interest. Thus, to that extent, the contractor would also lack legitimacy and credibility in the eyes of the public. Attempts by the contractor to exercise command and control would be as ineffective as attempts by LILCO.

Q. Please state subpart B of Contention 15.

A. That subpart reads as follows:

Contention 15.B. A protective action recommendation of sheltering could not or would not be implemented. Based on a survey of Long Island residents, a substantial number of the people advised to shelter will choose to evacuate instead as a result of their lack of trust in LILCO's interest or ability to properly and objectively determine and recommend actions that are in the best interests of the public. Thus, the protective action of sheltering could not and would not be implemented in violation of 10 CFR Sections 50.47(a)(1), 50.47(b)(10) and NUREG 0654 Sections II.J.9. and J.10.

The views we have stated above support the foregoing statement, but we have a few additional particular concerns. We believe that people will not follow a LILCO recommendation to shelter because people will not believe or trust LILCO.

(Saegert) In addition, people will not believe that their homes provide adequate protection from radiation despite a LILCO recommendation that they shelter in their homes. The information that an emergency of any kind exists will activate their fears, and suspicions of LILCO will prevent them from accepting advice from LILCO that goes against their own judgment of the best course of action to follow. The Social Data Analyst and other surveys discussed in the County's and LILCO's testimony on Contention 23 reveal that evacuation is the

preferred public response in an emergency, even when it is not recommended for a specific population. When a discrepancy exists between the position of the public and the source of information, people will lower their assessment of the source's credibility rather than change their position.^{21/} People will reduce the conflict between their view and LILCO's view of radiological hazards and emergency management by lowering their assessment of LILCO's credibility. The behavior of TMI area residents during the radiological emergency there, further supports this position.^{22/} See also discussion in Contention 23 regarding the evacuation shadow phenomenon for further data as to why a sheltering recommendation would not be implemented.

^{21/} Aronson, E., Turner, J. & Carlsmith, J.M., "Communication Credibility and Communication Discrepancy as Determinants of Opinion Change," Journal of Abnormal and Social Psychology, 1963, 67, 31-36.

^{22/} Goldhaber, M.K., Lehman, J.E., "Crisis Evacuation During The Three Mile Island Nuclear Accident," The TMI Population Registry, Paper for the Annual meeting of the American Public Health Association, November 16, 1982; Flynn, C.B., "Three Mile Island Telephone Survey: Preliminary Report on Procedures and Findings," prepared for the Nuclear Regulatory Commission, Washington, D.C., 1979; Houts, P.S., Health Related Behavioral Impact of the Three Mile Island Nuclear Incident, Part II, Report submitted to the TMI Advisory Panel on Health Related Studies of the Pennsylvania Department of Health, November 21, 1980.

Q. Please state subpart C of Contention 15.

A. That subpart reads as follows:

Contention 15.C. The LILCO Plan provides for early dismissal, sheltering or evacuation/relocation of students in schools within or near the EPZ, depending on the nature and circumstances of an accident at Shoreham. If protective actions are recommended for the public in the EPZ, schools outside the EPZ having children who reside in the EPZ are expected to retain such children at the schools after the end of the school day. (See Appendix A, at II-19 through 20). However, under the LILCO Plan, the decision to implement an early dismissal or to shelter, evacuate, relocate or retain students rests with the schools. (See Appendix A, at II-19). The recommendation to dismiss early or to implement any other protective actions will be made, by LILCO, over the EBS radio (Plan at 3.3-4 through 3.6-6; Appendix A at II-19). The school authorities, being members of the public, are likely to share the perception that LILCO is not a credible source of information. Therefore, they may not believe, or follow, the information or recommendations provided to them by LILCO. As a result, there is no assurance that any protective actions for school children (including sheltering, evacuation, relocation, retaining children after school hours, or early dismissal to permit sheltering or evacuation with parents) can or will be implemented, and there can be no finding of compliance with 10 CFR Sections 50.47(a)(1) or 50.47(b)(10) and NUREG 0654 Sections II.J.9 and J.10.

Q. Do you agree with subpart C?

A. Yes we do. For the reasons we have discussed above with respect to Contention 15 in general and subpart A, we believe there is no assurance that LILCO's recommendations regarding protective actions for schools will be followed by school authorities. Our opinion is also based on the official statements by many of the school districts having children in or near the EPZ. See Attachment 7.

Q. Please state subpart D of Contention 15.

A. That subpart reads:

Contention 15.D. Assuming that the traffic control measures specified in the LILCO Plan are not prohibited by law (see Contentions 1-4), LILCO's traffic guides will be disobeyed by motorists, as a result of LILCO's lack of credibility. Similarly, LILCO personnel assigned to perform security functions under the LILCO Plan (i.e., performing law enforcement functions at the EOC, relocation centers, and at the EPZ perimeter), again assuming they are not prohibited from performing such functions, are unlikely to be trusted or obeyed by the public result of LILCO's lack of credibility. In addition, since the emergency will emanate from an incident at LILCO's own facility, the public will be likely to hold LILCO and its personnel responsible for the emergency, which will cause LILCO's employees to be viewed with hostility and suspicion, and will increase the likelihood that orders from LILCO employees will be ignored or disobeyed. As a result, there can be no finding of compliance with 10 CFR Part 50, Appendix E Section IV.A. and NUREG 0654 Section II.J.8 and Appendix 4, because

LILCO's evacuation time estimates are unrealistically low (being based on the assumption that all evacuees will follow the evacuation routes and instructions prescribed by LILCO). The Plan also fails to comply with 10 CFR Sections 50.47(a)(1) and 50.47(b)(10) and NUREG 0654 Sections II.J.9 and J.10 because there is no assurance that the protective action of evacuation can or will be implemented or that there will be adequate security during an emergency. In addition, the lack of effective perimeter control will result in persons' entering the EPZ, and being exposed to radiation, and impeding evacuation from the EPZ.

Q. Do you agree with subpart D?

A. Yes we do. The public will not obey the LILCO employees designated to act as traffic guides and security personnel assigned to perform security functions at various locations such as the EPZ perimeter and relocation centers, for several reasons related to LILCO's lack of credibility. First, since LILCO's credibility is low, LILCO traffic guides and security personnel will not be respected or believed because perceptions about LILCO will be transferred to LILCO employees.

Second, the public's distrust of, and refusal to obey, LILCO employees will be increased and reinforced by the inability of these LILCO employees to provide during an emergency helpful or meaningful information about the status or danger involved in the emergency. Although the individual field

workers will be affiliated with LILCO, to which the public will assign responsibility or blame for the occurrence of the emergency, the LILCO field personnel will have no detailed knowledge of what is happening at the plant or elsewhere. Moreover, even if they had such knowledge, presumably they would not provide it to members of the public, given the requirement in the LILCO Plan that all information provided to the public must be reviewed by several command and control personnel and issued only by the Public Information Coordinator. See Plan at 3.8-4. The inability of LILCO's field workers to respond to questions from motorists or other members of the public will increase the distrust and uncooperativeness with which those workers will be met.

Finally, LILCO's field workers assigned to perform the traffic control and security functions that are normally performed by public servants such as police officers, will not be obeyed, and will be viewed with hostility and suspicion because LILCO employees assigned to emergency response work are not subject to three fundamental background characteristics of public safety organizations that normally contribute to public confidence. We believe that the absence of these fundamental characteristics will influence public perceptions of LILCO's public safety personnel, and will contribute to significant

distrust of LILCO personnel who are assigned to perform public safety functions.

First, recruitment of such individuals normally takes place in a competitive, merit-oriented system based as much as possible on criteria appropriate to the roles recruits will play in public life. In public safety work, effort is made to recruit people who provide evidence of a commitment to public service and the specific occupations for which they have applied. In addition, a period of probation, both during training and on-the-job, allows for observation of the candidate in realistic circumstance and permits supervisors to weed out those unfit for the specific service.

Because these aspects of recruitment are missing, and will be known by the public to be missing with respect to the LILCO employees assigned security and traffic control functions, the normal public confidence that public service employees are committed to the work, that they perceive themselves and are perceived by others to be entering a lifetime career, and that they will perform difficult and sometimes dangerous tasks because they fully appreciate the nature of the commitment, will not exist with respect to the LILCO traffic guides and security personnel. In our view, this will contribute to the distrust

with which these LILCO workers will be viewed, and will increase the likelihood that their directives will not be followed by the public.

Second, a critical fact of public service work (indeed, perhaps all work), is that there are considerable discrepancies between what one learns in school or in the academy about the work structure, and the job itself. The job itself is the real teacher. On the job, new recruits learn the limits of theory when confronted with real situations, and techniques to handle responsibilities, routines to help them process the work expeditiously, and emotional survival skills that allow them to resolve the psychological contradictions in their jobs.^{23/} The requirements of apprenticeships and on-the-job training are directly related to public confidence that public service employees will be able to handle complex, stressful, difficult and ambiguous situations skillfully and judiciously, and results in their being afforded respect and obedience.

In the case of LILCO traffic guides and security personnel, however, the public will know that they are LILCO employees who have been trained to perform jobs relating to the

^{23/} These matters will be discussed in detail in the Suffolk County Testimony on Training.

production and provision of electricity, rather than the public service jobs they have been assigned in the Plan. The confidence and resulting grant of credibility which can come from the public's knowledge about extensive on-the-job training, will thus be missing with respect to those LILCO workers and will contribute to the likelihood that their directives will not be followed by the public.

Third, LILCO's proposal to use LILCO employees as traffic guides and security personnel lacks the potential for regular feedback and self-correction that is intrinsic to governmental bureaucracies, and that (a) helps to maintain workers' accountability, and (b) provides opportunities for citizens to register opinions and complaints and thereby insure that public service workers remain accountable to citizens' interests. The public will know that LILCO personnel assigned to traffic and public safety duties have not had the benefit of supervisory guidance during training and probationary employment in those jobs, and have not been subject to regular criticism and accountability mechanisms that help to insure reliability among public safety personnel. And, since LILCO employees are without experience in the field in their public safety roles, the public will know that they have never been subject to citizen interactions and feedback, nor have they ever been held

accountable to supervisors through citizen comments and complaints, concerning their performance in those roles. Hence, LILCO traffic and public safety personnel will not be credible sources of information and directives, particularly where complex, split-second judgments may be required, and where citizen compliance is most essential.

Q. Please state Subpart E of Contention 15.

A. That subpart states:

Contention 15.E. The sample messages for EBS broadcasting which are contained in the Plan (OPIP 3.8.2) identify a LILCO employee (Director of LERO) as the source of the information and the protective action recommendation. Since the public does not consider LILCO to be a credible source of information or advice, instructions from a LILCO employee will not be obeyed. Therefore, these messages will not accomplish their intended purpose of providing clear instruction to the public and there is no compliance with 10 CFR Section 50.47(b)(5) and NUREG 0654 Sections E.5, E.6 and E.7.

Q. Do you agree with Subpart E?

A. Yes we do. The sample EBS messages included in the LILCO Plan contain the following statement preceding protective action recommendations:

The Director of Local Response for emergencies for the Shoreham Nuclear Power Station, (name), has consulted with (names,

titles) _____ scientists, _____ LILCO officials, _____ nuclear engineers, and _____ officials from _____ public agencies and _____ has recommended the following public action.

OPIP 3.8.2 at 13-26. Assuming the public knows, based on LILCO's public information program, that the "Director of Local Response" and Messrs. Acker, Wofford and Procelli are LILCO employees, the instructions or advice contained in the EBS message will not be believed, trusted or obeyed for the reasons we describe at length above.

As we have noted, LILCO's witnesses, in previously submitted testimony, have stated that to be effective, a warning message, or one containing protective action recommendations, must be from a credible source. We agree. LILCO's EBS messages do not meet that requirement, since the identified source of recommendations is a LILCO officer.

Moreover, the inclusion in LILCO's proposed EBS messages of the statement that the LERO Director "has consulted with" other individuals including LILCO officials, nuclear engineers, and scientists, does not increase the likelihood that they will be believed or followed by the public. First, despite such supposed "consultation," the source of the recommendation remains a LILCO official. Second, LILCO officials and nuclear

engineers will be perceived as being just as biased, untrustworthy, and not credible on the subject of a nuclear emergency at Shoreham as the LERO Director.

Q. Please state Subpart F of Contention 15.

A. Subpart F reads as follows:

Contention 15.F. LILCO's proposed rumor control point is to be manned by LILCO employees. (Plan, at 3.8-5). This rumor control effort will be ineffective and will fail to comply with NUREG 0654, Section II.G.4.c, because it relies on LILCO -- a non-credible source of information -- as the authoritative source for squelching, explaining or otherwise controlling rumors. Rumors cannot be effectively controlled if the source of control is itself not credible. Thus, the LILCO Plan does not comply with NUREG 0654, Section II.G.4.c and 10 CFR Sections 50.47(b)(5) and 50.47(b)(7).

Q. Do you agree with Subpart F?

A. Yes we do. The LILCO Plan provisions relating to rumor control are the following:

Correcting Misinformation

The Emergency News Center (ENC) will be the central location for rumor control. The public will contact the LILCO Customer Relations District Offices and the LILCO Customer Call Boards for information concerning the emergency response. LILCO personnel at these locations will be provided with updated press releases. If they cannot answer the inquiry they will call the

ENC where a coordinated rumor control point will be manned by representatives from LERO and the Utility. Public Information and Rumor Control Procedures provide details of the emergency function of the CPI (See Procedure 3.8.1-Public Information).

Plan at 3.8-5. OPIP 3.8.1 referenced in the Plan provides, in pertinent part, that the LILCO Coordinator of Public Information is expected to:

- c. Confer with the Director of Local Response and the Public Information Staff at the ENC on a regular basis to maintain consistent information content.
- d. Prepare and disseminate press releases as appropriate. . . .
- e. Assign personnel to monitor media and radio broadcasts for incorrect information.
- f. Control misinformation by providing current information for LILCO Rumor Control personnel and answering any questions regarding local response.

and that the Public Information Support Staff is to:

- b. [S]upply the Coordinator of Public Information with information as the incident develops.
 . . .
- f. Supply the Rumor Control Staff with the most correct information available.

OPIP 3.8.1, Sections 5.1.2 and 5.2.2.

The rumor control effort proposed by LILCO will be ineffective for several reasons related to LILCO's lack of credibility. First, it is unreasonable to suggest that the public will, as predicted by LILCO, "contact the LILCO Customer Relations District Offices and the LILCO Customer Call Boards for information concerning the emergency response," or that the public or the media will utilize LILCO's "Rumor Control system" as an authoritative source of information. The perception of LILCO as not credible, not objective, and not trustworthy in discussing the extent, danger, or effect of a nuclear accident at Shoreham will cause the public and the media to seek sources of information other than LILCO. Thus, the basic premise upon which LILCO's rumor control proposal rests is erroneous.

(Purcell, Saegert) The events during the TMI accident provide evidence of this fact. At TMI reporters turned to sources other than Met Ed because they viewed the utility as evasive, and not to be trusted.^{24/} Many journalists interviewed after TMI expressed the opinion that utility personnel generally cannot be trusted to report on utility-related problems.^{25/}

^{24/} Rogovin, M. & Frampton, Jr., G.T., "Three Mile Island: A Report to the Commissioners and to the Public," Vol. III, part 3, Nuclear Regulatory Commission, Special Inquiry Group, 1980; 1057-1070.

^{25/} Rubin, D., "The Public's Right to Know: The Accident at Three Mile Island," In D.L. Sills. C.P. Wolf & U.B.

(Footnote cont'd next page)

(All) Second, even if the public or the media were to contact the LILCO "Rumor Control" organization, the LILCO employees designated to fill the positions of Public Information Coordinator and Public Information Staff will not be capable of overcoming the serious LILCO credibility problem so as to enable them to squelch, explain, or otherwise control rumors. Under the LILCO Plan, the primary "Coordinator of Public Information" is the LILCO District Manager for Customer Relations. The alternates are the LILCO Supervisor of Regulatory Requirements from the Economic Research Department, and the LILCO Resource Management Administrator from the Corporate Management Department. OPIP 2.1.1 at 69, 69a. The Public Information Support Staff is comprised of a Rate Analyst, a Regulatory Analyst, a Cost Analyst and a Marginal Cost Analyst Coordinator from LILCO's Economic Research Department, an Employee Relations Representative and an Employee Relations Assistant from LILCO's Employee Relations Department. None of these individuals is likely to have any experience or knowledge concerning (1) the response to, or facts involving, a radiological emergency, (2) dealing with frightened, panicked or confused

(Footnote cont'd from previous page)

Shelarski (Eds.), Accident at Three Mile Island: The Human Dimensions, Boulder, Colorado, 1982.

members of the public, or (3) dealing with the media. There is no reason to believe that they would have any particular competence or abilities that could enable them to overcome the general perception that LILCO is not a credible or objective source of accurate information during a Shoreham accident.

(Saegert) Third, under the LILCO Plan, the Rumor Control personnel (who are never identified), the Public Information Support Staff, and the LILCO personnel at the Customer Call Boards and Customer Relations District Office are severely limited in what they are permitted to say in response to inquiries. They are allowed only to repeat press statements that have already been released to the press. Of course, those very releases will presumably have given rise to the inquiries in the first place, particularly those inquiries from the media. Thus, LILCO's proposed rumor control will actually have no content aside from information already in the public domain. This fact will contribute to the perception that LILCO is being secretive and evasive, thus reducing even further LILCO's credibility.

Fourth, if any additional information is to be released to the public or the media, under the LILCO Plan such a release involves a complicated series of consultations and approvals,

necessitated, at least in part, by the fact that the persons who are to release the information will have no first hand knowledge of events. See OPIP 3.8.1. Perceived hesitation in responding to inquiries, or perceived ignorance about relevant facts, will further reduce the likelihood that LILCO's rumor control efforts will be viewed as credible or effective. At TMI, delays in distributing information were interpreted as withholding information by the utility, and detracted further from the utility's credibility.^{26/}

Finally, LILCO's proposals that it alone will control the flow of information during an emergency and its expectation that any contrary information can be identified or corrected by LILCO personnel assigned to monitor media and radio broadcasts for "incorrect" information, are unrealistic. There is no indication in the Plan nor is there any basis in actual experience for assuming that LILCO personnel could control the flow or content of information to the media or to the public in the event of a Shoreham emergency. Indeed, LILCO's attempts to control the range, flow, and content of information are likely to exacerbate the media's perception that information released by LILCO is self-interested, biased, and not credible.

^{26/} Rogovin (1980); Rubin (1982).

(All) For all these reasons, we believe LILCO's attempts at rumor control will be ineffective. Indeed, because people would not believe the information provided by LILCO, they would seek other sources of information. Thus, the conflict between LILCO's efforts to control all information and the public's distrust of LILCO would lead to an increased proliferation of rumors.

Q. Please state Subpart G of Contention 15.

A. Subpart G reads as follows:

Contention 15.G. LILCO proposes to conduct all public education activities designed to inform the public about Shoreham and about actions to be taken in the event of a Shoreham emergency. (See Plan at 3.8-1 through 3.8.4). LILCO's lack of credibility renders LILCO incapable of effectively educating the public on these matters. The public will likely disbelieve, disregard or discount purported educational materials regarding preparations for a radiological emergency at Shoreham, if such materials are received from and/or prepared by LILCO. Thus, the LILCO Plan cannot and does not comply with 10 CFR Sections 50.47(b)(7) or NUREG 0654, Sections II.G.1 and 2.

Q. Do you agree with Subpart G?

A. Yes. As noted above, if the public does not trust the source of information, the information from that source will be largely disregarded. When a source is seen as not just

unbelievable but also as having an interest in denying or understating the extent or significance of a risk, information from that source will be distrusted even more.

(Saegert) The public will not only be unlikely to believe public education information provided by LILCO, they will alternatively, or in addition, discard or disregard it. In general, brochures tend not to be effective in developing emergency preparedness.^{27/} Research on emergency preparedness in the Indian Point area has shown that the public tends to be almost completely unaware of information presented in brochures. In the Indian Point study discussed above, more than one third of the persons sampled stated that they had not received the brochure that had been distributed by Con Ed. Of those who thought they had received it, approximately one third had not read it, and another twenty-two percent said they had only read "some of it."^{28/} When the source is viewed as not credible or likely to provide unreliable information as LILCO would be, the public will be even more unlikely to read such material.

Q. Does that conclude your testimony?

A. Yes.

^{27/} Sims and Bauman, (1983).

^{28/} Altshuler (1982).

ATTACHMENT 1

Resume of Arthur H. Purcell

RESOURCE POLICY INSTITUTE

TECHNICAL INFORMATION PROJECT, INC.

1346 CONNECTICUT AVENUE, NW #217
WASHINGTON, DC 20036
202 466-2954

ARTHUR H. PURCELL

VITAE

EDUCATION

- . PhD, MS, Northwestern University, Technological Institute, Materials Science and Engineering, 1973, '72
- . BS, Cornell University, Engineering, 1966
- . Certificate, Institute for European Studies, Vienna, 1965

CURRENT POSITIONS

- . Executive Director, Resource Policy Institute, Washington, DC, 1982-. The Institute is a non-profit research and education group specializing in resource policy and technology issues.
- . Director, and Founder, Technical Information Project, Inc. (TIP), Washington, DC, and Boulder, Colorado, 1975-. TIP, corporate parent of the Resource Policy Institute is a non-profit policy and analysis group dealing with a broad range of technical issues facing our society. These include toxic substance and hazardous waste management, alternative energy development, materials conservation and technology, and environmental impact assessment.
- . Associate Professorial Lecturer, School of Engineering and Applied Sciences, Department of Civil, Mechanical, and Environmental Engineering, the George Washington Univ., 1975-. Teach graduate seminar on materials policy and technology. Past work has included a) designing, securing support for, and directing research in materials conservation technology and b) teaching undergraduate engineering.
- . Professorial Lecturer, Center for Technology and Administration, the American University, 1980-. Teach graduate seminar on Management and Conservation of Energy Resources.
- . Independent Consulting Engineer. Recent clients have included the Economic Commission for Europe, Mellon Institute, and National Science Foundation, US Information Agency, 1974-.

PAST POSITIONS

- . Senior Staff Member, President's Commission on the Accident at Three Mile Island, 1979. Ran one of the Commission's six investigative task forces.

- . Deputy Director, Office of Science and Government, American Association for the Advancement of Science, 1973-1974.
- . Staff Intern, US Army Environmental Office, 1971.

RELATED PROFESSIONAL AND CIVIC ACTIVITIES

- . Founding Director, Global Water, Inc., 1982-. Global Water is a non-profit organization dedicated to furthering US participation in the UN Decade on Water
- . Chair (appointed) and Commissioner (publicly elected), Advisory Neighborhood Commission, District of Columbia, 1981-. Represent 10,000 District citizens in government liaison activities. Chair monthly public meetings. Responsible for all budgetary and personnel matters of Commission.
- . Member, President's Commission on Scholars, 1977-1981.
- . Member, President's Science Policy Task Force, 1976-77.
- . Member, US Delegation, First UN Conference on Non-Waste Technology, Paris, 1976
- . Review Panel Member, US Office of Technology Assessment, 1977

PUBLICATIONS

- . 92 Professional Papers, Monographs, and Books. Recent Book: The Waste Watchers (Doubleday/Anchor Press, 1980).

WORK REVIEWED OR CITED IN

- . The Wilson Quarterly
- . The Wharton Magazine
- . Newspapers and Media including New York Times, Baltimore Sun, Christian Science Monitor, National Public Radio, NBC News, United Press International, Associated Press Features, Newsday, Boulder Camera, Sedam Dana (Zagreb)

SEMINAR AND LECTURE PRESENTATIONS

- . Colleges and Universities in U.S.: California (UCLA), Minnesota, Denver, Maryland, New Mexico, Cornell, Catholic, Georgetown, George Washington, American, Belmont Abbey College, University of Pennsylvania, Glasboro State, Stockton State (NJ)
- . Colleges and Universities Abroad: Technical University of Lisbon, University of Malta, University of Belgrad, University of Titograd
- . Research and Government Agencies in U.S.: Minnesota Pollution Control Agency, Arizona State Energy Office, Springfield, Massachusetts/Lower Pioneer Valley Regional Planning Commission, US Environmental Protection Agency
- . Research and Government Agencies Abroad: German Institute for Aeronautical Research (Köln), Dept. of Industry (UK), Portugese Ministry of Finance, Portugese Ministry of Industry and Energy, Joint Group of Maltese Engineers (Valletta, Malta), Croatia Republican Energy Committee (Zagreb, Yugoslavia), Krsko Nuclear Facility (Yugoslavia), Statens kärnkraftinspektion (Stockholm, Sweden)

RESEARCH ACTIVITIES (PARTIAL LISTING)

- Cooperative University Arrangements: George Washington University--Ferrous Metal Scrap Reutilization (Designer and Director of Project, with funding secured from National Science Foundation). University of Michigan--Materials Technology Trends (with Prof. Marc Ross, for the Mellon Institute Energy Productivity Study)
- Independent Arrangement: Economic Commission for Europe, United Nations/Geneva--Development of In-depth Background Papers on Rational Utilization of Resources Topics for Use by the Senior Advisers, Environment and Human Settlements Program (on-going work in 1983)
- Resource Policy Institute/Technical Information Project, Inc. Arrangements: US Environmental Protection Agency--Development of Funding Program for University-Level Training in Hazardous Waste Management; US Environmental Protection Agency--Information Transfer to Public Sector on Hazardous and Non-Hazardous Waste Management; National Science Foundation--Impacts of Federal Withdrawal from Technology-Based Programs; National Science Foundation--Information Flow and Ethics and Values in Toxic Substances Management; US Department of Energy--Appropriate Technology for Recycling; Department of State--International Business and Technology Exchange; German Marshall Fund--International Nuclear and Non-Nuclear Waste Management

PROFESSIONAL SOCIETY CONFERENCE AND OTHER PRESENTATIONS (PARTIAL LISTING)

- First UN Conference on Non-Waste Technology: Non-Waste Technology in Steel-making (Invited Paper)
- Fourth Oak Ridge National Laboratory Life Sciences Symposium: Setting Priorities in Hazardous Waste Management (Invited Paper)
- First Engineering Foundation Conference on Accountability in Hazardous Waste Management: Invited Rapporteur
- First Recycling World Congress: Utilization of Secondary Rubber
- First European Community Conference on Radioactive Waste Management: Observer
- Fourth Elmia/Avfal Conference on Northern European Waste Management: Observer (Attendance at this and previously listed meeting supported by German Marshall Fund Award)
- 98th Annual Meeting, American Association for the Advancement of Science: Symposium on Materials Achievements (Invited Symposium Arranger)
- US Congress: Senate and House Commerce, Foreign Relations, Public Works Committees

HONORS, AWARDS, LISTINGS

- Society of the Sigma Xi
- Alumni Merit Award, Technological Institute, Northwestern University; German Marshall Fund Travel Award (2), USIA Lecturer
- Who's Who in America, Who's Who in Business and Finance, Who's Who in the World, Men of Achievement, International Biographical Dictionary, Contemporary Authors

MISCELLANEOUS

- Languages: French, Spanish, German

REFERENCES

Available Upon Request

ATTACHMENT 2

Resume of David J. Olson

Fall-1983

CURRICULUM VITAE

David J. Olson

HOME ADDRESS

6512 East Green Lake Way N.
Seattle, Washington 98103
(206) 522-6340

OFFICE ADDRESS

Gowen Hall, Rm. 106, DO-30
Department of Political Science
Seattle, WA 98195
(206) 543-2780

PERSONAL BACKGROUND

Born May 18, 1941, Branford, North Dakota
Married, one child

PROFESSIONAL POSITIONS

University of Washington, Department of Political Science, Chairman,
1983-present; Professor, 1979-present; Associate Professor, 1976-
1979; Visiting Associate Professor, 1974-1976.

Indiana University, Department of Political Science, Associate
Professor, 1973-1976 (leave of absence, 1974-1976); Assistant
Professor, 1971-1973; Lecturer, 1969-1971.

University of Wisconsin, Institute of Governmental Affairs, Lecturer,
1966-1967; Madison Redevelopment Authority, Community Planner II,
1965-1966.

EDUCATION

University of Wisconsin, Madison; 1964-1971; M.A., 1966; Ph.D., 1971.
Union Theological Seminary (N.Y.C.), 1963-1964.
Concordia College (Minn.); 1959-1963; B.A., 1963.
West Fargo North Dakota Public Schools; 1947-1959; diploma, 1959.

COURSES TAUGHT

Undergraduate: Introduction to American Government; American
Government and Politics; Minority Group Politics; Government and
Administration of Urban Communities; Urban Politics; Political
Conflict and Violence; Experimental Course for Minority Group
Students; Class and Race Politics in the United States; Urban
Bureaucracies; American Public Policy; Urban Public Policy; State
and Local Politics; Urban and Suburban Government; Seminar on
Political Analysis; Politics of Public Corporations; Seaport
Politics.

Graduate: Urban Politics; Urban Public Policy Formation; Urban
Administration; Formation of Public Policy; American Political
Institutions; Seminar on American National Politics; Politics of
Urban Reform; Approaches to Subnational Politics; American Politics
Core Course; Politics of Public Corporations.

UNIVERSITY AND DEPARTMENTAL SERVICE

University of Washington:

University: Faculty Senate; Executive Committee of Faculty Senate; Faculty Legislative Representative to the Washington State Legislature; Urban Grant Committee; Senate Special Budget Committee; Graduate School Research Fund Committee; Urban and Regional Science Research Group, Council of Faculty Representatives; Executive Director, Faculty and Friends of the University of Washington.

College: Executive Committee, Society and Justice Program; Associate Member, Program in Comparative Studies in Ethnicity and Nationality; Affiliate Member, Center for Law and Justice; Truman Scholarship Committee.

Departmental: Chairman; Graduate Admissions Committee; four American Politics Faculty Search Committees; Financial Aid Committee; Graduate Adviser; Executive Committee; NSF/RIAS Grant Application Committee; Ad Hoc Walker-Ames Nomination Committee; various personnel review committees.

PROFESSIONAL EXPERIENCE

Research for President's Commission on Law Enforcement and Administration of Justice, 1966.

Consultant, Institute for Research on Poverty, University of Wisconsin, 1967-69.

Member, American Association of University Professors' National Committee on Teaching Assistants and Junior Members, 1968-72.

Member, Advisory Board, Institute for the Study of Ethical Issues, 1969-71.

Presented a paper, "The Office of Governor in Wisconsin," at the Midwest Conference of Political Scientists, April, 1967.

Presented a paper, "On the Politics of Riot Commissions," at the American Political Science Association Convention, September, 1968 (with Michael Lipsky).

Presented a paper, "Advisory Commissions and the Uses of Social Science," at the American Association for the Advancement of Science convention, December, 1969.

Presented a paper, "The Kerner Report Revisited," at the twelfth annual Illinois Legislative Assembly, January 1970.

Presented a paper, "Urban Violence and Political Change," at the sixth annual conference on Contemporary Issues, Drury College, Springfield, Missouri, March, 1970.

Presented a paper, "Politicians, Professionals, and the Poor," for the New York Academy of Medicine's 1970 symposium on "Decision-Making and Control in Health Care," sponsored by the National Center of Health Services and Development of the Department of Health, Education and Welfare, July, 1970.

Presented a paper, "Civil Disorders and the American Political Process: The Meaning of Recent Urban Riots," at a Conference on Political Micro-Violence at the Lyndon B. Johnson School of Public

Affairs, the University of Texas, Austin, Texas, March, 1971 (with Michael Lipsky).

Presented a paper, "Interpreting Recent Civil Disorders: An Alternative to Banfield's Rioting Mainly for Fun and Profit'," at the American Political Science Association Convention, September, 1971.

Panel discussant on a panel reviewing "The Legacy of Protest in the 1960's," at the American Political Science Association convention, September, 1971.

Chairperson of panel on "The Politics of Local Change Processes" at the Midwest Convention of Political Scientists, May, 1973.

Chairperson of panel on "Issues of Professionalization" at the American Political Science Association Convention, September, 1973.

Presented a paper and a film, "An Urban Montage," at the Midwest Convention of Political Scientists, May, 1974.

Presented a paper and a film "Twentieth Century American Race Riots," at the American Political Science Association convention, September, 1974.

Chairperson of panel on "The Unwalled City: Issues of Jurisdiction and Equity," at the Midwest Convention of Political Scientists, May, 1976.

Member, Users' Task Force of American Political Science Association/National Science Foundation Political Science Education Project on Instructional Innovation, 1976-1980.

Chairperson of Roundtable Panel on "The 1976 Elections in the Pacific Northwest," at the Pacific Northwest Political Science Association meeting, April, 1978.

Panel discussant on a panel dealing with "Urban Politics and Public Policy" at the annual meetings of the Pacific Northwest Political Science Association, April, 1978.

Panel discussant on a panel dealing with "Pathologies of Politics" at the Western Political Science Association meetings, March, 1979.

Member (1978-1980) and Chairperson (1980), Nominating Committee, Western Political Science Association.

Chairperson of panel on "Instructional Innovation Utilizing LAPSS Modules," at the Western Political Science Association meetings, March, 1980.

Presented a paper, "Regionalism in Port Development," at the Regional Port Institutions Seminar sponsored by The New England River Basins Commission, August, 1980.

Advisor to Washington Public Ports Association, preparation of Port System Study Update, September/October, 1980.

Presented a paper, "Public Enterprise and the State," at the Western Political Science Association meetings, March, 1981.

Advisor to Port of Seattle in writing "Port in a Storm," the official publication marking the Port's 70th anniversary, August, 1981.

Presented a paper, "Public Enterprise and the Emerging Character of State Service Provision," at the American Political Science Association convention, August, 1981 (with Michael Denning).

Presented a paper, "Research on the Frontiers," at the Pacific Northwest Political Science Association meetings, October, 1981.
Chairperson of panel on "Economic Development and City Politics," at the Western Political Science Association meetings, March, 1982.
Conference discussant at a conference on "The Future of the City," University of Chicago, June, 1982.
Presented a paper, "Economic Development and the Role of Public Enterprise," at the American Political Science Association convention, August, 1982 (with Michael Denning).
Consultant to Washington State Legislature, Select Committee on Port Consolidation, April, 1982.
Consultant to National Harbour Board of Canada, September, 1982.
Consultant to Alaska State Legislature on The Alaska Railroad transfer legislation, November, December, 1982.

PUBLICATIONS

Book Reviews:

Review of Jerome Rothenberg, "An Economic Evaluation of Urban Renewal," American Political Science Review, September, 1968.
Review of Willis D. Hawley and Frederick M. Wirt, "The Search for Community Power," Social Science Quarterly, December, 1969.
Review of W. Michael Reisman, "Folded Lies: Bribery, Crusades and Reforms," American Political Science Review, June, 1980.

Articles:

Co-author of "Wincanton: The Politics of Corruption," Task Force Report: Organized Crime (Washington, D.C.: U.S. Government Printing Office, 1967), (with John A. Gardiner).
"Citizen Grievance Letters as a Gubernatorial Control Device in Wisconsin," The Journal of Politics Vol. 31, No. 3 (August, 1969), pp. 741-755.
"Perspectives on Political Violence," Dialog Vol. 8 (Winter, 1969), pp. 9-17.
Co-author of "riot Commission Politics," Trans-action Vol. 6, No. 47 (July/August, 1969), pp. 8-21 (with Michael Lipsky). Reprinted in Peter Rossi (ed.), Ghetto Revolts; Gary Marx (ed.), Racial Conflict; Walter Dean Burnham (ed.), American Government; Fred Harris (ed.), National Policy and Social Science.
"Urban Violence and Political Change," in Violence and Political Change (Springfield, Missouri; Drury College, March, 1970), pp. 37-48.
"Riot Commissions and Political Change," in Philip Meranto (ed.), "The Kerner Report Revisited," University of Illinois Bulletin Vol. 67, No. 131 (June 1, 1970), pp. 163-169.
"Changing Political Processes, Channels, Structures, and the System," Discourse Vol. XIII, No. 1 (Winter, 1970), pp. 20-27.

Co-author of "Civil Disorders and the American Political Process: The Meaning of Recent Urban Riots," in Herbert Hirsch and David C. Perry (eds.), Violence as Politics: A Series of Original Essays (New York: Harper & Row, 1973), pp. 161-186 (with Michael Lipsky).
"Backlash," The Dictionary of American History (New York: Scribner and Sons, 1976), p. 239.
Co-author of "The Processing of Racial Crisis in America," Politics & Society Vol. 6, No. 1 (1976), pp. 79-103 (with Michael Lipsky).
"Regionalism in Port Development" in Washington Public Ports Association, Port Systems Study Update (Seattle, WA: CH2M Hill, 1980), pp. 167-182.

Books:

Co-edited and contributed chapter to: Edward S. Greenberg, Neal Milner, and David J. Olson (eds.), Black Politics: the Inevitability of Conflict (New York: Holt, Rinehart and Winston, 1971), 374 pages.
Co-edited and contributed essays to: John A. Gardiner and David J. Olson (eds.), Theft of the City: Readings on Corruption in Urban America (Bloomington, Ind: Indiana University Press, 1974), 432 pages.
David J. Olson and Philip Meyer, To Keep the Republic (New York: McGraw-Hill, 1975) 588 pages.
Michael Lipsky and David J. Olson, Commission Politics: The Processing of Racial Crisis in America (New Brunswick, N.J.: Transaction Books, Inc., 1977), 476 pages.
David J. Olson and Philip Meyer, Governing the United States (New York McGraw-Hill, 1978) second edition, 611 pages.

AWARDS, HONORS, GRANTS

Rockefeller Fellowship; 1963-64.
Vilas Fellowship; 1966-67.
University Fellowship in Recognition of Distinguished Teaching; 1967-68.
Institute for Research on Poverty Grant; 1967-69.
Brookings Institution Predoctoral Research Fellowship; 1968-69.
Trans-action Grant; 1968-69.
National Center for Health Services Research and Development Grant; 1970.
Faculty Grant for Multimedia experiment, Indiana University; 1972.
Faculty Fellowship, Office of Research and Advanced Studies, Indiana University; 1973.
Distinguished Teaching Award- The Frederic Bachman Lieber Memorial Award, Indiana University, 1973.
Port of Seattle Research Grant for Study of public port corporations; 1979-80.

Olson-Vitae

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Research Grant; National Oceanic and Atmospheric Administration, U.S.
Department of Commerce, Washington Sea Grant, Summer, 1980.
Research Grant; National Oceanic and Atmospheric Administration, U.S.
Department of Commerce, Washington Sea Grant, 1981-82.
Research Grant; National Oceanic and Atmospheric Administration, U.S.
Department of Commerce, Washington Sea Grant, 1983-84.

ATTACHMENT 3

Resume of Michael Lipsky

BIOGRAPHICAL SUMMARY OF MICHAEL LIPSKY

November, 1983

ADDRESS:	42 Brington Road Brookline, MA 02146	DATE OF BIRTH:	April 13, 1940
TELEPHONE:	(617) 731-5137	PLACE OF BIRTH:	New York, NY
NATIONALITY:	U.S.A.	MARITAL STATUS:	Married
		CHILDREN:	Two

EDUCATION:

Oberlin College, B.A., 1961; Woodrow Wilson School of Public and International Affairs, Princeton University, M.P.A., 1964; Princeton University, M.A. (Politics), 1964; Ph.D. (Politics), 1967.

PROFESSIONAL EXPERIENCE:

Current: Professor, Department of Political Science, Massachusetts Institute of Technology.

Previous Teaching: Assistant Professor, Department of Political Science, University of Wisconsin-Madison, 1966-1969.

Other: Assistant, Public Affairs Program, The Ford Foundation, Summer, 1965.

Brookings Institution Predoctoral Research Fellow, 1965-1966.

Consultant to Upward Bound, Office of Education, H.E.W., previously Office of Economic Opportunity, 1966-1972.

Special Assistant to the Chancellor for Equal Opportunity Programs, University of Wisconsin (Madison Campus), July, 1968-June, 1969.

Staff Associate, Institute for Research on Poverty, University of Wisconsin, 1966-1969.

Consultant on evaluation and urban policy, ACTION, Washington, D.C., 1977-1978.

Member, Law and Government Study Group, National Institute of Education, 1979-1982.

Director of Policy Studies, Legal Service Institute, Jamaica Plain, MA, 1979-1981.

Member, Board of Trustees, Justice Resource Institute, 1978-.

Consultant, Massachusetts Department of Public Welfare, 1983-.

PUBLICATIONS - BOOKS:

Protest in City Politics: Rent Strikes, Housing and the Power of the Poor (Chicago: Rand McNally, 1970).

Law and Order: Police Encounters, 2nd edition, edited with an Introduction (New Brunswick, N.J.: Transaction Books, 1973).

Theoretical Perspectives on Urban Politics, edited with an Introduction (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1976) (with Willis Hawley).

Commission Politics: The Processing of Racial Crisis in America (New Brunswick, N.J.: Transaction Books, 1977) (with David J. Olson).

Street-Level Bureaucracy: Dilemmas of the Individual in Public Services (New York: Russell Sage, 1980).

In August, 1981, Street-Level Bureaucracy was named the 1981 recipient of the C. Wright Mills Award of the Society for the Study of Social Problems.

In September, 1981, the American Political Science Association presented Street-Level Bureaucracy with its Gladys E. Kammerer Award as the best publication on national policy published in 1980 (co-winner).

PUBLICATIONS - ARTICLES:

"Outputs, Structure and Power: An Assessment of Changes in the Study of State and Local Politics," Journal of Politics 30 (May, 1968), pp. 220-248 (with Herbert Jacob).*

"Protest as a Political Resource," American Political Science Review, LXII (December, 1968), pp. 1144-1158.*

"Rent-Strikes--Poor Man's Weapon," Transaction, February, 1969, pp. 10-15.*

"Riot Commission Politics," Transaction, July-August, 1969, pp. 9-19 (with David J. Olson).*

"Landlord-tenant Law in the United States and West Germany: A Comparison of Legal Approaches," Tulane Law Review, XLIV (December), 1969, pp. 36-66 (with Carl Neumann).

"Review Symposium" (on the Supplemental Studies for the National Advisory Commission on Civil Disorders), American Political Science Review, LXIII (December, 1969), pp. 1278-1281.

(*Indicates article reprinted in journal or anthology.)

"Radical Decentralization: A Response to American Planning Dilemmas." Paper presented to the Second International Symposium on Regional Development, sponsored by the Japan Center for Area Development Research, September 17-19, 1968, Tokyo, Japan. Published in the proceedings of the Symposium (Tokyo, Japan: Japan Center for Area Development Research, 1969), pp. 102-110.*

"Social Scientists and the Riot Commission," The Annals of the American Academy of Political and Social Science, 384 (March), 1971, pp. 72-83.

"Street-level Bureaucracy and the Analysis of Urban Reform," Urban Affairs Quarterly, 6 (June, 1971), pp. 391-409.*

"Citizen Participation in Federal Housing Policies." Paper submitted to Subcommittee on Housing Panels on Housing Production, Housing Demand, and Developing a Suitable Living Environment, Committee on Banking and Currency, House of Representatives, 92nd Congress, First Session, June, 1971, pp. 895-925 (with Donald Dickson, John Mollenkopf, and Jon Pynoos).

"Street-level Bureaucracy and the Study of Educational Politics," in Michael Kirst, ed., The State, School and Politics: Research Directions (Lexington, Mass.: D.C. Heath and Company, 1972), pp. 205-212.

"Community Organization as a Political Resource," People and Politics in Urban Society, Urban Affairs Annual Review, Vol. 6, Harlan Hahn, ed. (Beverly Hills, California: Sage, 1972), pp. 175-199 (with Margaret Levi).

"Civil Disorder and the American Political Process: The Meaning of Recent Urban Riots," in David Perry and Herbert Hirsch, eds., Violence as Politics (New York: Harper, 1973), pp. 161-186 (with David J. Olson).

"Views on the American Experience with Social Experimentation," Social Research and Public Policies. Proceedings of the O.E.C.D Seminar on Social Research and Public Policy, Hanover, N.H., September 13-15, 1974.

"Toward a Theory of Street-level Bureaucracy," in Willis Hawley and Michael Lipsky, eds., Theoretical Perspectives on Urban Policy (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1976), pp. 196-213.*

"The Processing of Racial Crisis in America," Politics and Society, Vol. 6 (1976), pp. 79-103 (with David J. Olson).

"Citizen Participation and Health Care: Problems of Government Induced Participation," Journal of Health Politics, Policy and Law, 1 (Spring, 1976), pp. 88-111 (with Morris Lounds).

"The Future of the Veteran's Health Care System," Journal of Health Politics, Policy and Law, 1 (Fall, 1976), pp. 285-294 (with Lawrence McCray, Jeffrey Prottas and Harvey Sapolsky).

"Street-level Bureaucrats and Institutional Innovation: Implementing Special Education Reform in Massachusetts," Harvard Educational Review 47 (May, 1977), pp. 171-197 (with Richard Weatherly).*

"Preface," Political Language, by Murray Edelman (Chicago: Academic Press, 1977).

"The Assault on Human Services: Street-Level Bureaucrats, Accountability, and the Fiscal Crisis," in Scott Greer, et al., eds., Accountability in Urban Society (Beverly Hills, Cal.: Sage Publications, 1978), pp. 15-39.

"Standing the Study of Public Policy Implementation on its Head," in W. Dean Burnham and Martha Wagner Weinberg, eds., American Politics and Public Policy (Cambridge, Mass.: M.I.T. Press, 1978), pp. 391-402.

"Poverty and Administration: Perspectives on Research," in Vincent Covello, ed., Poverty and Public Policy: An Evaluation of Social Science Research (Boston: G.K. Hall, 1980), pp. 164-186.

"The Welfare State as Workplace," Working Papers 7 (May/June, 1980), pp. 33-38.*

"Quality Control in AFDC as an Administrative Strategy," Social Service Review, 57 (March, 1983), pp. 1-34 (with Evelyn Brodtkin).

"Bureaucratic Disentitlement in Social Welfare Programs," Social Service Review (March, 1984 forthcoming).

"Evaluation and Problems of Governance," in Langeley Keyes and Jennifer Leaning, eds., The Counterfeit Ark (Cambridge, Mass.: Ballinger, forthcoming).

PUBLICATIONS - OTHER:

Member, Subcommittee on the Planning Process and Urban Development, of the National Academy of Science's Advisory Committee to the Department of Housing and Urban Development. The Subcommittee's report: Revenue-Sharing and the Planning Process: Shifting the Locus of Responsibility for Domestic Problem-Solving (Washington, D.C.: National Academy of Sciences, 1974).

Primary Advisor, American Government Today (Del-Mar Co.: CRM Books, 1974), and author of Chapter 16, "Mass Political Participation: Mobilization, Protest, and Violence," pp. 457-477.

ATTACHMENT 4

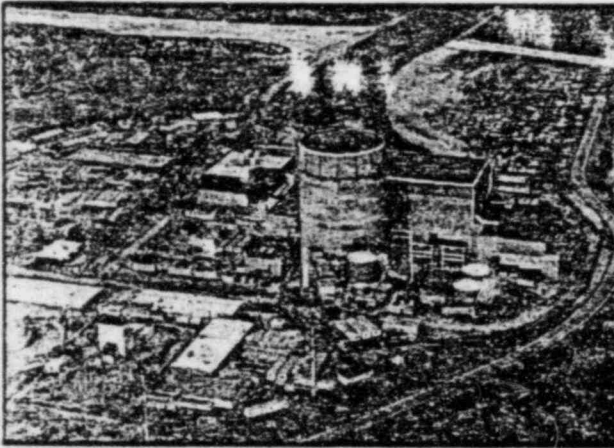
Daily News 3/11/84 - "LILCO Cuts Shocking"

New York Times 3/8/84 - "Layoffs at Lilco Leave Workers Hurt and
Bitter"

Newsday 3/16/84 - "A Company Man No More"

LILCO cuts shocking

32010



N-Pg 3 3-11-84

By MICHAEL HANRAHAN

THE MOOD WAS one of shock rather than disbelief, one of fear more than anger.

Although Long Island Lighting Co. employees and stockholders were told there would be cuts, few realized the extent to which they were to become affected. Few can yet understand how the seemingly omnipotent LILCO can be coming down on its knees and bringing long-cherished beliefs of job and financial security along with it.

"We are the victims," exclaimed one of the workers who was discharged after four years on the job.

He asked that his name not be used because, now that he was out of work, he did not want to get a reputation for being a malcontent with any potential employer.

"I am bitter; we who are being fired are not the people who made the decisions that have ruined the company.

"The chiefs are still there. It is only the Indians who were let go," said the former worker, who had been employed in the community affairs department.

Charles Slevin, 46, of Brentwood, had worked for LILCO since he was 20. As the third in seniority in the department of real estate, he was one of two men let go.

"It is hard to put into words how I really feel," said Slevin. "I am not sure that it has really sunk in."

The shock and the fear are expressed on the part of all of LILCO's 5,600 employees. The shock is over how workers were selected to be cut. The fear is over who or what is next.

Slevin, after 26 years on the job, was given an hour to get out the door. His co-workers were as dismayed as he was.

"I still think of the lighting company as my company," said Slevin. "You have to bring yourself to change your way of thinking."

There was no explanation as to why Slevin was one of the two selected from his department. All he feels is: "It was ruthless and meant to be so."

Some say Slevin, and others like him, with seniority entitling them to additional vacation time and other be-



Expensive Shoreham nuclear plant (top) may have played role in announcement by LILCO chairman William Catacosinos that 741 employees were to be let go.

nefits, were selected for discharge because some of the newer employees cost less.

That offers little consolation, however, to a man who has lost his job. Slevin, who has a wife and three teenage children, lost no time in looking for work.

"It is a difficult feeling," he said. "You consider yourself a qualified professional in doing one type of work. Then you are faced with the prospect of going to a defense plant and seeking whatever work they have to offer."

Slevin's duties at LILCO had him dealing with a variety of people and situations, from engineering to purchase of private property.

"There were times when I didn't like having to do the things that were

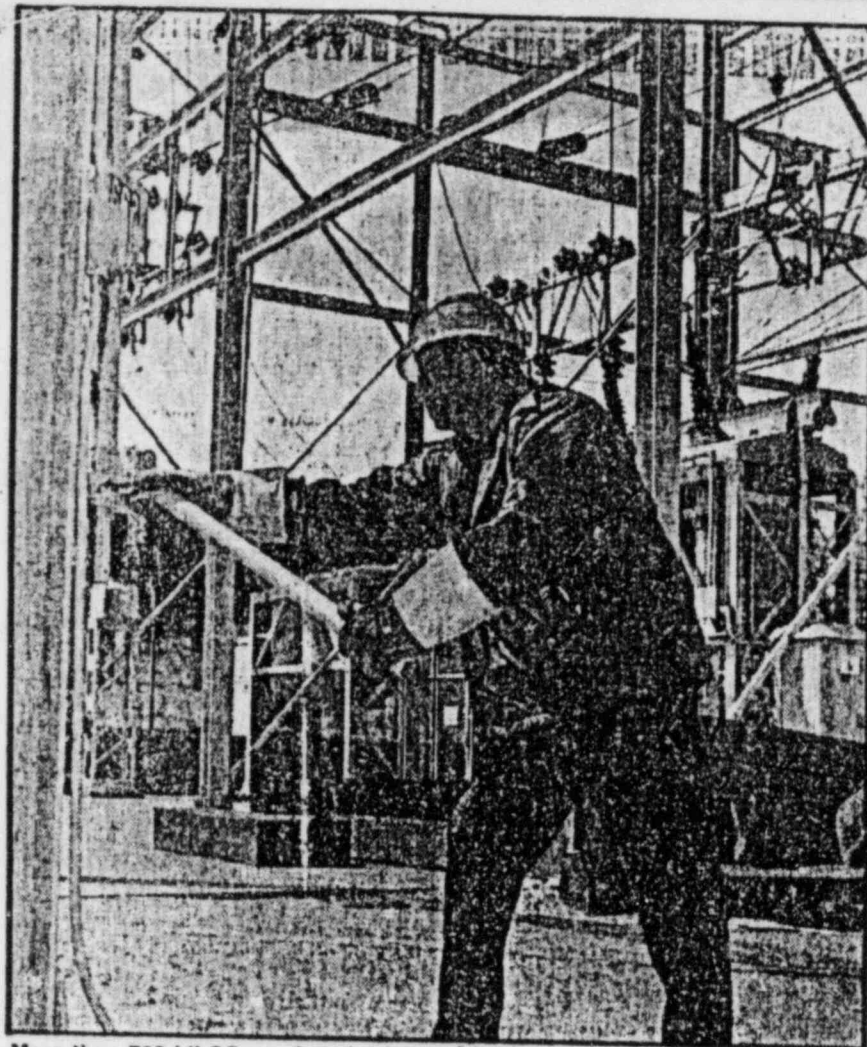
necessary for the Shoreham project, in being hard-nosed in dealing with other individuals. But, I believed it was necessary for the company," said Slevin. "It was a difficult job, but all of that counts for nothing now."

The 741 LILCO workers who were let go were notified about it at the same time that William J. Catacosinos, the newly selected chairman of the board for LILCO, was announcing the firings to the press during a conference at the posh Garden City Hotel.

Catacosinos also announced a 20% cut in pay for corporate officers. However, while his predecessor was paid a reported \$230,000 a year, Catacosinos, a member of the board of directors, was brought in one month ago in

See LILCO Page 3

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More than 700 LILCO employees are no longer on the job.

Employees wonder who or what's next

LILCO FROM PAGE ONE

the position of chairman at \$275,000, to rescue the company from bankruptcy.

So, while the company embarked on a stringent \$100 million austerity program, the pay of the highest paid corporate officer in the utility—after the \$275,000 was cut by 20%—was reduced by just 2.3%.

Catacosinos announced salary cuts of 10% for management personnel earning \$35,000 or more, and a 5% reduction for those below that level.

Also announced was a cutback of 11% in the company's 1984 capital budget and a 22% reduction in the 1984 operating budget.

THE MEASURES REACH into virtually every aspect of the company's operations.

Bob Duffy, a 23-year LILCO veteran, headed the regional affairs office that worked with Nassau and Suffolk counties on economic development. He said that he knew for the past several months that his five-person office was vulnerable. It was eliminated.

Fired too, even before the formal austerity, was Henry Doeblar, the com-

pany's long-term Albany lobbyist.

Ironically, Duffy is the son of a former president of the company; Doeblar is the son of a former board chairman.

It was the senior Duffy and senior Doeblar who brought LILCO through its initial and difficult growth pains, from the days that Levittown was a potato field to the company's seemingly invincible pre-Shoreham majesty.

For the stockholders there were similar reactions of shock and fear. Shock to the holders of common stock on which the dividends were eliminated for the remainder of the year: "I had anticipated a reduced dividend," but nothing more," said Charles Robbins, of Northport.

"I certainly didn't expect to have the dividends totally eliminated for the rest of the year. We have already lost a fortune on the stock. It has dropped nearly \$10."

The fear comes to those who are holding issues of LILCO's preferred stock. They must now wait to learn about their future dividends.

"LILCO investors bought their stock over a lifetime of savings. The dividends are counted on," said Robbins. "All that has changed now."

320-10

Layoffs at Lilco Leave Workers Hurt and Bitter

NYT. p7B4 3-8-84

By LINDSEY GRUSON

Special to The New York Times

MINEOLA, L.I., March 7 — The first day of work as a construction mechanic at the Long Island Lighting Company was "exhilarating," John Hart recalled today. "It was great to know you were with a strong outfit. I figured I could stay for my career."

But yesterday, after 36 years, Mr. Hart's career with the utility ended. And the end was without the ceremony that the 64-year-old supervisor and former mechanic had come to expect.

In an austerity drive designed to save the 74-year-old company, Mr. Hart was laid off. It was a fate shared by hundreds of colleagues, some of whom had been with the company for 25 years or more. The company said it would eliminate a total of 987 jobs — at least 544 through layoffs and 197 through attrition and retirements.

For those lucky enough to retain their jobs, it was nonetheless a blow. Some will be demoted and will have to take sharp salary cuts. Others will have their routines interrupted. Many will lose close friends.

5,700 Employed by Utility

It was a painful ending to a month of speculation and uncertainty for all of the company's 5,700 employees. They told stories of standing by helplessly while friends burst into tears. One said she felt guilty for being allowed to keep her job.

"Sadness describes the whole thing," Mr. Hart said. "There's sadness at the position the company is in and sadness that lifelong friendships at work have been broken up."

"But maybe by my leaving I contributed something. Maybe my leaving will help them survive."

The new chairman of the utility, Dr. William J. Catacosinos, said the layoffs were necessary to keep the company from insolvency. When combined with a variety of other austerity measures, including the suspension of dividend payments on common stock, they will save the company \$374 million.

Sympathy for Employees

Dr. Catacosinos said the cuts were "a horrible emotional shock" for the employees, "who have done nothing to deserve it." He said the layoffs were "the hardest decision that I've had to make."

But he said they were necessary to convince legislators that the company was willing to make sufficient sacrifices to deserve state help.

But Frank Jones, deputy Suffolk County executive, criticized Dr. Catacosinos for failing to scrap the Shoreham nuclear power plant, which is a decade behind schedule and 15 times over budget, at \$4.1 billion. The utility traces many of its financial problems to cost overruns at the 875-megawatt plant.

"Lilco's weakness is Shoreham and its strength has always been its dedicated workforce," he said. "It's unfortunate to see that Mr. Catacosinos has decided to attack his strength and ignore his weakness, Shoreham."

Some laid-off employees said they felt it was unfair that they were being discharged for mistakes made in the board room.

Lilco common stock rose $\frac{5}{8}$ today to close at $7\frac{1}{8}$. It had dropped $1\frac{1}{8}$ Tuesday, the day the layoffs were announced, to close at $6\frac{1}{8}$, its lowest in more than a decade.

Some employees blamed opponents of the Shoreham plant, who have been a factor in the delays in the plant's construction schedule.

Others said the layoffs marked the end of a special relationship.

"Management and labor were totally devoted to the company," one employee said. "It was a love affair, and now that may be over."



Newspaper: Jim Peppier

Ex-LILCO supervisor Bill McCarthy, right, and his wife, Madeline, far left, with 11 of their children: front row, from left, Billie, 17; Katie, 13; Ronnie, 12; Greg, 11; Paul, 8, and Jodi, 3. Back row: Maddy, 14; Matt, 15; Brian, 16; Mike, 16, and Robert, 18.

A Company Man No More

By Joe Calderone

In the cafeteria, when his coworkers would begin griping about the the Long Island Lighting Co., Bill McCarthy would hear none of it.

He had come to LILCO at 21, fresh out of the Marine Corps, an ambitious man with a stocky build and an urge to work outdoors. Hired as a laborer at \$70 a week, he felt privileged to get the job. And during the next 21 years, as he moved up the LILCO ranks from ditch digger to mechanic to equipment operator to welder to a supervisory job helping to oversee construction projects, his affinity for the company only grew.

He ran the United Way campaign in his department. He organized a company-wide soccer team. Hundreds of

times, he had answered the calls that came in the middle of bitter winter nights to go fix a leaky gas main somewhere. He never refused overtime. He did what he was told and then some. When LILCO came under attack for the Shoreham nuclear power plant, he wrote letters to the newspapers. He supported nuclear power and he defended LILCO.

"He was so loyal," says his wife, Madeline. "He wouldn't take a pencil home from LILCO. He was a real company man. You couldn't complain to him about your LILCO bill."

McCarthy, 42, a father to 13 children, stopped being a company man last Tuesday. To his astonishment, he re-

—Continued on Page 25

LILCO Company Man No More

—Continued from Page 3

ceived notice that he was among the 987 persons and one of the 181 management personnel whose jobs had been eliminated to try and save the company from financial ruin.

The firings were a blow to all LILCO workers. But they came as a particularly difficult jolt to the white-collar non-union employees like McCarthy, many of whom had many years of service and who were not laid off according to seniority, like the union employees, but who were chosen for unexplained reasons. Many of the white-collar workers said they view their firings as arbitrary and unfair.

"The blue-collar person who gets laid off understands from the beginning that he's at the bottom of the totem pole and that if there's any bump in the road, he's the one who falls off the wagon," said Dr. Timothy W. Costello, president of Adelphi University and a psychologist who has studied institutions facing large layoffs. "Whereas there is no such set of rules for white-collar workers. A white-collar worker assumes that if he's doing a good job, his job is secure. If you've done a good job and you're laid off, there's nothing harder to take."

"I was very shocked when they laid me off," McCarthy said. "I was amazed. The people I worked with, we got along fabulously. . . they made a mistake when they laid me off. I never refused overtime. You can ask anyone that. I worked at night. . . I remember in Bay Shore one night where we had to build dams of ice around a hole to keep the frozen water from coming in while we worked on a gas main. That was when I was a welder. The street would be flooded with water. It was very cold, bitter. . . and you had to work down there under those conditions."

To McCarthy, a high school dropout who recently earned an associate degree from Suffolk Community College by going to class at night, the layoff held special ironies. Chief among them is the knowledge that coworkers whom he had surpassed in position at the company have

remained, while he is without a job because of his decision nine years ago to leave his union-protected job as mechanic and enter management. His two brothers-in-law who also work for LILCO, for instance, stayed in union jobs and have survived the layoffs. But he said he does not regret becoming part of management, a step he took for the challenge and the experience rather than for financial rewards.

His stubby hands fingered the rim of a coffee cup as he sat with his wife in the kitchen of their Brentwood home at a picnic table, which the McCartlys purchased to accommodate their large family. They had nine children of their own and adopted four others who were left homeless when Bill's sister died unexpectedly. Eleven of the children, who range in ages from 3 to 23, remain at home. Their grocery bills run more than \$1,000 a month.

They have not talked in detail yet about how they intend to meet their debts without McCarthy's salary. He went to apply for food stamps Wednesday but was told he was ineligible because the family has more than \$1,500 in assets. Madeline, his wife has figured out their monthly bills and she knows they can't make ends meet on his \$170 weekly unemployment check and the \$400 she brings home every two weeks from her job as an aide at Central Islip Psychiatric Center. "We're \$800 short a month right now," Bill says. "We've got to cut back somewhere."

McCarthy has spent much of the last week preparing to apply for jobs. He's confident that he will get a more rewarding position than the one he had at LILCO, although he's not as certain that he will find one that will pay him the \$31,900 he earned there annually. He fears that after investing two decades getting to a comfortable position at LILCO, a job with some responsibility, he now may be forced to return to physical labor to support his family.

"I don't want to go back to being a welder or a truck driver. Of course I'll do it if I have to. I could get a job as a garbage man if I had to. But that's not what I want to do."

ATTACHMENT 5

Newsday Cover 12/15/83 - "The Shoreham Findings"

Newsday 12/15/83 - "Excerpts from Shoreham Report"

Suffolk Life - 11/23/83 - "Gov.'s Shoreham panel; LILCO 'lacks
credibility'"

New York Times 12/15/83 - "Report by State's Shoreham Panel
Criticizes Planning and High Cost"

Newsday

THE LONG ISLAND NEWSPAPER • THURSDAY, DECEMBER 14, 1983 • 10 CENTS • CIRCULATION 1,000,000

The Shoreham Findings

Marburger Panel's Report To the Governor

- Closing Plant Would Add \$1 Billion to Cost
- LILCO Lacks Credibility to Run Plant
- State Role in Crisis Plan Not Warranted
- Extra Electricity Not Needed Until 1990s
- Consumers Should Not Bear Full Costs

Pages 3-4

Newsday - Cover - 12/15/83

Excerpts From Shoreham Report

Here are excerpts from the report of the Marburger commission on the Shoreham nuclear plant.

Covering Letter from John H. Marburger to Gov. Mario Cuomo:

The Shoreham plant's long construction time and its staggering expense have contributed to a loss of public confidence on Long Island in traditional sources of judgment on utility planning and regulation.

We urge you to appoint a panel of experts to advise you regarding the urgent problem of avoiding massive rate increases that would occur if the cost of Shoreham were included suddenly in the LILCO rate base.

I hope that you find this report and its attendant documents useful as you act to establish a state role in the complex problems in which Shoreham is now enmeshed. The panel members labored painfully to produce this result, and I wish to acknowledge their efforts here in what may after all have been an impossible mission.

General Conclusions

(The report notes that not every member agreed with every point.)

1. The first point is that Suffolk County adopted its position after commissioning studies of reasonable quality. The county consultants are reputable in their fields, and their reports indicate deep and relevant technical knowledge of the issues with which they dealt. Many panel members believe that the consultants tended to be conservative in their approach, but none feel that the reports are irresponsible or grossly misleading. At the same time, it is important to understand that the county position is a result of governmental, not purely scientific or technical, processes. That is, the county asserted its right to make decisions of government based upon whatever information its legislative and executive branches have available to them. This distinction between the county consultants' studies and the actual position taken by Suffolk County was stressed by the county and seems significant to the panel as well.

2. The second point is that the panel does not view nuclear power as inherently unsafe, although some believe that the current state of practice in the nuclear industry has not achieved a level of safety appropriate for public use. This view was shared by many who provided testimony. Although the panel did hear concerns about the commercial use of nuclear power, generally most of the concerns were specific to the Shoreham plant: its location, quality of construction, and quality of management.

3. The panel agrees that the Shoreham plant will probably prove to have been a mistake in the sense that everyone might have been better off if the plant had never been built. The panel believes that the location would probably be regarded as unsuitable as a site for a nuclear power station and would not be acceptable as a licensable site under current siting practices. Estimates of demand for electricity, the price of oil, the cost of construction all turned out to be grossly inaccurate, leading to a pattern of rates and expenses that no one, including LILCO, wanted. Opinions as to how much blame LILCO must accept for creating such a situation vary on our panel. It is certainly possible to blame the present state of affairs on the inevitable ignorance we all have of the future. But, as when in ancient societies a series of disasters led to execution of the monarch regardless of his apparent ability to prevent them, many now feel that LILCO must be held responsible for allowing the Shoreham disaster to happen.

4. This leads to the fourth view, that LILCO did not prepare itself adequately for its foray into the technology of nuclear power and still lacks credibility as an operator of a nuclear power plant. The panel views nuclear power as a high-technology industry that demands a "zero defects" management attitude similar to that in the aerospace industry. What the panel learned about LILCO training programs, quality assurance structure, and management experience with relevant nuclear reactor operation led many to question whether such an attitude is present. LILCO has tended to respond to criticisms by pointing to its success in satisfying regulatory agencies and seems to us to have relied too much on regulation for guidance rather than upon an independent conviction of



John Marburger at news conference

what needed to be done. The historical role of the federal agencies has fostered the perception that they are responsible for providing guarantees of the technical quality of plant construction and operations when, by their own admission, they are unable to provide such guarantees.

5. The NRC practice of deferring consideration of off-site emergency response planning feasibility until after completion of construction does not make sense. Such considerations were in fact introduced in Shoreham construction licensing hearings but dismissed by the hearing officer as irrelevant at that time. It is clear that the existence of a completed nuclear power plant is a powerful incentive to find reasons to grant an operating license. It is too late for a change-of-construction licensing practice to affect the Shoreham case, but the philosophy of answering significant site-related questions before construction is too advanced may be applied to the current low-power licensing situation. The governor's request of the NRC that a low-power operating license not be issued before the off-site planning impasse is resolved is consistent with this philosophy.

6. The incentive to license is created by the significant investment in the plant. It is reinforced by the apparent financial advantage of operating the plant as compared with not operating it, as recognized by the economic analyses performed by panel staff, LILCO and Suffolk County's consultants. We are impressed by how small that number may actually be relative to the nearly \$4 billion that will be invested in the plant regardless of whether it operates. Even in these circumstances, it is not obvious that failure to operate the plant would be tantamount to economic suicide for the state or the region.

7. While the economic analyses available to the panel do indicate a financial advantage associated with the operation of Shoreham, none of these analyses take into account recently announced additional delays in the operation of Shoreham, primarily attributable to problems with the emergency diesel generators. The panel recognizes that this delay may eliminate some or all of the economic benefit associated with operation of Shoreham. We did not have the time to analyze the economic consequences of the delay. The commission recommends that the Governor make such an economic analysis an immediate priority.

8. Although the evaluation of off-site emergency preparedness plans is the responsibility of FEMA (Federal Emergency Management Agency), the panel does wish to express reservations about LILCO's ability to implement a plan that achieves an adequate state of preparedness without the assistance of county government. The State's responsibility for emergency preparedness requires that it pay close attention to the subsequent course of the licensing process to satisfy itself that preparedness is adequate according to its own standards should a license be awarded.

9. The projections for Long Island's future electrical energy needs on which the Shoreham construction schedule was originally based were obviously overestimates. The panel is persuaded that ample LILCO generating capacity currently exists to satisfy probable demand for at least the next decade, and probably longer. Such estimates are of course subject to the same uncertainties that cause the original projections to be so wrong. But at this time, it is difficult to see how the demand for electricity could be so great as to require a Shoreham-sized plant within a decade or more.

10. Finally, if the plant should eventually receive a license to operate, the public would be well served by an objective inspection program by an independent technical firm acceptable to federal, State and local governments, as well as the utility. Public confidence in the quality of the plant is very low, and further inspections will either reveal problems that should be addressed prior to operation or confirm the assertions of previous inspections that found little cause for concern.

Separate Views Of Panel Members

Leon J. Campo

Shoreham's electricity is neither necessary nor affordable.

Long Island is a "dead end" — the power plant is located at a point which literally "traps" under accident conditions, thousands of residents on the East End.

The plant will produce the most expensive electricity ever generated in New York State. All parties including LILCO and the PSC agree that the project was a mistake. Most important of all, the electricity from Shoreham is not needed by this generation of Long Islanders. Finally, there exist viable alternatives, such as construction of additional transmission lines, which can satisfy, at a fraction of Shoreham's cost, an increased electric need in the year 2000.

Alfred E. Kahn, Herbert J. Kouts and William J. Ronan

The county, acting contrary to the studies which it commissioned, concluded that there might be some emergency situation of extremely small probability under which they (county officials) could not guarantee the safety of everyone in Suffolk County. Therefore they would not participate in an emergency plan.

This action involves a remarkable exercise of governmental discretion — a refusal to participate in planning for an emergency, presumably in the expectation that by so refusing, they could remove the threat itself.

Alfred E. Kahn

I believe that a rational society would open and operate the Shoreham plant. It is, so far as we can tell, worth substantially more to the people of Long Island and the state operating than dismantled.

Since responsibility for this fiasco is, on the one hand, something close to national, and, on the other, specifically attributable to some combination of managerial incompetence and very bad luck... it seems to me clear that the consumers on Long Island cannot, in simple justice, be required to bear the entire burden.

Herbert J. Kouts and William J. Ronan

We conclude from the evidence that the plant is safely built and can be operated safely, and that the economic health of Long Island and the state would be badly hurt by a decision not to proceed with operation. Therefore, we believe that the Shoreham nuclear power plant should be permitted to operate when the NRC concludes it is ready to.

David J. Willmott and Marge Harrison

The testimony and facts given substantially reinforced our initial beliefs and heightened our desire to do everything within our power to foreclose the possible opening of this facility which, we have come to the firm conclusion, poses a genuine, very real and extremely frightening threat to our lives, our families and those people you represent.

It is imperative that the governor make the hard decision now: order the PSC to cut the losses by putting an end to the Shoreham nuclear power plant based on both safety and economics. Every day the governor waits causes the indebtedness to rise by millions of dollars.

Today's Paper.
TWO SECTIONS
Section One

Suffolk Life Newspapers USPS #098-300 is Published Weekly by Suffolk Life Newspapers, Montauk Hwy., Westhampton, N.Y. 11977 • Controlled Circulation • Postage Paid at Riverhead, N.Y. 11901 • Postmaster: Send Address Changes to Suffolk Life Newspapers, Montauk Hwy., Westhampton, N.Y. 11977 • Twenty Five Cents • Vol. 23 No. 14

SUFFOLK LIFE

NEWSPAPERS

2

Gov.'s Shoreham panel: LILCO 'lacks credibility'

By PETER SCULLY

Members of Governor Mario Cuomo's Shoreham Commission have concluded Suffolk officials acted reasonably in studying emergency planning problems for the Shoreham nuclear plant before concluding the reactor should not operate, according to a list of general views of the panel documented in recent media reports.

In a list of 10 consensus items serving as a prelude to the full report expected later this month, the 13-member panel also concluded that the plant would not be sited at Shoreham today, and that Long Island Lighting Company lacks the credibility to operate it.

Political observers speculated the draft report may have been leaked to the media in Albany. A reporter from a Long Island daily told panel members who gathered to view and discuss the document for the first time on Saturday that his publication already had it.

While some panel members and LILCO officials pointed out the material is not the final report to the governor, the leaked findings were seen by many as a strong blow to LILCO officials, who have charged repeatedly that Suffolk's emergency planning effort was designed solely to prevent Shoreham's operation.

Deputy County Executive Frank Jones said he felt "vindicated" by the findings. "What the commission has said is that everything we did last February was reasonable. LILCO cannot safely operate the plant, evacuation would be a charade, the energy is not needed, and the economics simply are not there. LILCO kept acting like we were making these things up."

LILCO's Charles Salit conceded the findings were disheartening, but pointed out that the commission's final report has yet to be issued. "This does not necessarily represent the opinions of everyone on the

panel," he said.

But according to reports, the 10 consensus items are the relatively few Shoreham issues on which many of the members do agree. "Both on economics and safety, the consensus items seem to weigh very heavily against operation," said Leon Campo, a member of the panel.

The consensus items

touched on a number of issues seen as crucial to the resolution of the fight over Shoreham.

SUFFOLK'S STUDIES NOT LACKING

The studies performed as part of Suffolk County's emergency planning effort, most commission members conclude, are of reasonable quality. The

Cont. on page 5



HAPPY THANKSGIVING — These two children symbolize the mood of the holiday we celebrate tomorrow, Thanksgiving Day, a joining together for the offering of thanks for the abundant harvest, and the spirit of fellowship that links people of different origins with the bounds of friendship. Suffolk Life offers our readers our very best wishes for a happy holiday, with the hope your list of reasons for giving thanks is a past with rich rewards and a future of bright hope. Happy Thanksgiving. Photo by Jean Worthington

LILCO lacks.

cont. from cover

county consultants are reputable in their fields, and their reports indicate deep and relevant technical knowledge of the issues with which they dealt, the consensus found.

The consultants had concluded that an evacuation of the area within 20 miles of Shoreham could take 30 hours, and that 4,500 deaths and additional latent cancers could occur in a successful evacuation.

PLANT POORLY SITED

The fact finding panel's conclusion that the plant is poorly sited appears to echo that of Suffolk officials, who have argued that the few major roads in the area would make evacuation in the event of a Shoreham accident difficult, if not impossible.

According to the report, the panel agrees that the Shoreham plant will probably prove to have been a mistake in the sense that everyone might have been better off if the plant had never been built. The NRC admits that the region would probably be regarded as too densely populated to qualify as a licensable site under current siting practices.

LILCO UNFIT TO RUN SHOREHAM

Despite the controversial 18-year history of the Shoreham project, commission members believe LILCO did not prepare adequately for its foray into the technology of nuclear power, and still lacks credibility as an operator of a nuclear plant.

Testimony on LILCO's quality assurance programs and operator training did not inspire confidence in the utility among commission members.

In the opinion of most commission members, LILCO has too often responded to criticisms by pointing to its success in satisfying regulatory agencies, rather than upon independent conviction of what needed to be done. Criticism was also aimed at federal regulatory agencies, the NRC and its predecessor, the Atomic Energy Commission, for offering the impression that approvals by both gave assurances of the

quality of construction and operation when, in fact, neither can provide such guarantees.

The NRC's deflection of consideration of the emergency planning issue until the plant had been substantially completed does not make sense, and the governor's request that fuel not be loaded at Shoreham until the issue is resolved is reasonable, reports indicate, commission members found.

Since Suffolk County's opposition to the reactor's operation is not "capricious or frivolous," the consensus found the situation would not seem to demand intervention by the state to break the licensing impasse. Cuomo has repeatedly stated that he would not impose an emergency plan for Shoreham on Suffolk.

The commission found that determining how Shoreham's horrendous financial implications will be resolved is a more pressing question than whether the reactor will operate or not, and recommended the burden be shared by utility stockholders or New York State taxpayers.

The panel also found that the financial benefits which could result from Shoreham's operation are slim, and that abandonment of the plant would not cost much more than letting it go on line. The commission staff found rates would be six points higher in an abandonment scenario, but some panel members have argued that the projections were based on outdated figures, and that abandonment would be more attractive in light of ongoing problems. Recent estimates place the cost of the plant at \$4 billion, far higher than the \$3.4 billion considered by the staff.

The completed report is expected to reach Cuomo by early summer, and he has said he will make his position on the Shoreham issue known by early next year.

The NRC, meanwhile, is scheduled to begin hearing testimony on LILCO's own, worker-implemented emergency plan in early December.

Report by State's Shoreham Panel Criticizes Planning and High Cost

By MATTHEW L. WALD

Special to The New York Times

HAUPPAUGE, L.I., Dec. 14 — The Long Island Lighting Company made a mistake when it decided to build the Shoreham reactor, was not prepared to supervise its construction and is not ready to run the nearly completed plant, according to a special panel appointed by Governor Cuomo.

The panel, which released its report today after a six-month study, said, "The economic impact of Shoreham on Long Island, whether it operates or not, is likely to be severe."

The saving to be realized by running the power plant — as opposed to abandoning it — were small relative to its construction cost of nearly \$4 billion, the panel said, and there might be no saving at all. It also said that the plant's electricity would not be needed for at least 10 years.

Consistent With Drafts

The 13-member group, which included proponents and opponents of Shoreham, issued two and a half pages of "general conclusions" and more than 100 pages of dissenting views, clarifications, amplifications and additional observations by individual members or small groups of commission members.

The plant is 55 miles east of Manhattan, on the north shore of Suffolk County.

The final report was generally consistent with the findings of drafts and descriptions of the work of the panel, the Governor's Commission on Shore-

ham, given by its members in recent weeks.

However, at a news conference in the Legislative Auditorium at the County Office Complex here, bickering broke out among the seven commission members present over whether the 10 conclusions represented a consensus view.

As Leon J. Campo, a school administrator in East Meadow and a Shoreham opponent, read from the conclusions, Dr. William J. Ronan, another member, interrupted. Dr. Ronan, a former

Continued on Page B5, Column 1

Shoreham Panel Faults Planning And High Costs

Continued From Page A1

chairman of the Metropolitan Transportation Authority and now vice chairman of C.C.X. Inc. of Carle Place, said:

"There has been no consensus. This does not represent the majority opinion, because there was no majority vote ever taken."

"I want this clear that there's a disagreement," Dr. Ronan said. Dr. John H. Marburger 3d, chairman of the panel, attempted to quiet him, promising that he could speak next.

Later, when Dr. Ronan was asked how many sessions he had attended, as he replied, "The bulk of them," another member of the panel, Marge Harrison, co-chairman of the Long Island Progressive Coalition, an anti-Shoreham group, shook her head to indicate she disagreed.

Answers in Another Part

The panel has been unofficially called the Marburger Commission, after its chairman, who is president of the State University of New York at Stony Brook. Dr. Marburger said the commission had developed answers to the nine specific questions asked by the Governor — including whether the electricity was needed, what the risks of operation would be and whether the state should step in to insure the plant could open.

He said the answers had not been approved by all of the commission members. The answers were in a part of the report separate from the conclusions.

Among the answers was a conclusion that Mr. Cuomo not step in to break an impasse between Lilco and Suffolk County over emergency planning.

The licensing of the plant is threatened by the dispute, in which the county has concluded that emergency planning for the site is impossible and that the reactor should open.

Role of Suffolk County

According to Federal officials, the plant might be licensed without the participation of Suffolk, if the state took on the role usually filled by a local government in developing and testing an emergency plan. The officials have said licensing would be unlikely without either state or county participation.

The Governor had asked the panel to determine whether Suffolk was acting properly in trying to block the plant.

Governor Cuomo issued a statement today saying:

"I am pleased to receive the report from the Marburger Commission. I appreciate the extraordinary amount of time and energy contributed by the distinguished members. The commission's exposition of facts surrounding the Shoreham controversy indicates the wide spectrum of uncertainty which still exists."

No Reaction F County

A spokesman for Lilco, Judith Brabham, said tonight that the company had not had time to analyze the report, but that the circumstances of its release "would seem to indicate that members could not agree on anything, that the issues were too complex, and the panelists had too little time to thoroughly review and analyze all of the issues."

An assistant county executive, Frank Jones, said Suffolk had not had time to formulate a reaction.

Among the conclusions described in the report as "coagulations of consensus in the thick stew of interpretive viewpoints," were these:

¶ "It is clear that the existence of a completed nuclear power plant is a powerful incentive to find reasons to grant an operating license," the study said. It criticized the Federal Nuclear Regulatory Commission for leaving consideration of emergency planning until the plant was almost finished.

¶ Before Suffolk reached its decision that emergency planning was impossible and the reactor should not open, it had commissioned studies "of reasonable quality" on the question. However, "the county position is a result of governmental, not purely scientific or technical, processes," the panel found.

¶ "Lilco did not prepare itself adequately for its foray into the technology of nuclear power, and still lacks credibility as an operator of a nuclear power plant."

¶ Because, the report said, Shoreham would be expensive to run and may not operate reliably, "it is not obvious that failure to operate the plant would be tantamount to economic suicide for the state or the region."

¶ "The Shoreham plant will probably prove to have been a mistake in the sense that everyone might have been better off if the plant had never been built," the report said. It added that new delays created by the discovery of flaws in three emergency diesel generators, may remove whatever economic benefit remains by adding to the cost of the reactor.

\$1.2 Million a Day in Interest

The 809-megawatt plant is scheduled to open in January 1985, if the diesel generators can be made to work properly, according to the utility. If there are further problems with the generators, Lilco has said that Shoreham may not open until a year later.

As the plant sits idle, the interest charges on the more than \$3 billion already invested in it come to \$1.2 million a day.

According to Shoreham opponents, the cost of the plant is coloring judgments about safety. According to Mrs. Harrison, "If it were not for the question of the investment, we would probably be here today preparing to go out to a ribbon-cutting ceremony, where Governor Cuomo would be opening the Shoreham antinuclear museum."

Dr. Marburger said about the cost: "In hindsight, I think it was a mistake. The question is, so what?" The problem now, he said, was to determine what should be done.

REMEMBER THE NEEDLE!

NYT P. B5 12/15/83

ATTACHMENT 6

Resolution of Mount Sinai Parents Teachers
Organization

- 8/15/83 - Resolution of Middle Country Central School District
Board of Education
- 11/7/83 - Resolution of Middle Country Central School District
Board of Education
- 9/1/83 - Resolution of Miller Place Union Free School District
- Resolution of Mt. Sinai Teachers' Association
- 9/29/83 - Resolution of Middle Island Central School District's
Board of Education
- Resolution of Saint Andrew's School Board
- 11/16/83 - Resolution of Sound Beach Pre-School Co-Op
- 12/7/83 - Statement of William Floyd Union Free School District
Board of Education
- Resolution of Board of Trustees of The New
Interdisciplinary School

Mount Sinai Parents Teachers Organization

North Country Road
Mount Sinai, New York 11766

JAN 31 3 17 PM '84

January 29, 1984

to whom it may concern:

Here is a resolution adopted by the Mt. Sinai P.T.O.
concerning the licensing of the Shoreham Nuclear Power Plant.

Yours truly
Alan Berger

Alan Berger
President

MT. SINAI PARENT TEACHER ORGANIZATION--DRAFT RESOLUTION

WHEREAS, the Mt. Sinai Parent Teacher Organization, having discussed LILCO's emergency evacuation plan for schools in the event of a nuclear accident at the Shoreham plant, wishes to advise the Nuclear Regulatory Commission's Shoreham licensing board of the plan's workability for its community; and

WHEREAS, LILCO's emergency evacuation plan is dependent on our schools' early dismissal procedures; and

WHEREAS, this PTO has considered the following weaknesses in the LILCO evacuation plan:

1. Transportation

We are certain that the required number of buses and drivers for successful early dismissal will not be available to the schools. Drivers may need to attend to the safety of their own families first and may refuse to drive school buses. Furthermore, because of the shortage of buses in our school district, transporting children from school to home normally necessitates three bus shifts. Consequently, there is no possibility of a quick evacuation.

2. Needs of School Personnel

We are certain that not all teaching and non-teaching personnel will stay in schools to supervise early dismissal. Many of the teaching and non-teaching staff will leave school to attend to the needs of their own families. Consequently, not enough school personnel will be available to attend to emergency-related jobs. A teacher survey conducted in the Mt. Sinai school district indicated that a majority of the teachers would not remain in school to supervise emergency procedures.

3. Lack of Parental Supervision

Should there be a nuclear accident at the Shoreham plant, the success of an early dismissal plan depends not only on prompt dismissal from the schools, but on prompt evacuation of children from their homes as well. It is probable, however, that many panic-stricken children will be locked out of their homes; or that even if these children can enter their homes their parents will not be present to carry out the necessary second part of an evacuation.

4. Parental Intercession

We cannot be assured that all parents will wait at home for their children to arrive. Many parents will attempt to retrieve their children at schools, thereby increasing confusion and chaos.

5. Panic

The announcement of a nuclear emergency at Shoreham will cause disorientation and panic in children, teachers, non-teaching staff, and parents. This will further hinder effective and safe dismissal from our schools.

6. Relocation

If an emergency at Shoreham requires evacuating our children from schools directly to a relocation center, our school district would be unable to handle this situation effectively. (See #1, Transportation)

7. Supervision at Relocation Centers

Once again we are certain that teaching and/or non-teaching school personnel will not all travel to and remain at relocation centers to supervise children for a possibly indefinite period of time. The Mt. Sinai teacher survey showed that over 70% of the teachers would have left for their own homes after the first hour, and that a majority of the teachers would refuse to accompany children to relocation centers.

8. Sheltering

The LILCO plan suggests that sheltering, rather than evacuating, may be the preferred protective action in schools in specific Shoreham emergencies. The Mt. Sinai school district has one basement in its elementary school. The size and function (for furnace and boiler facilities and the storage of extra furniture) of this basement preclude the sheltering of all but a small number of our school population.

9. Trust in Public Information

In the LILCO plan, the only source of public information during an emergency is LILCO itself. As a result of LILCO's past statements and actions with regard to Shoreham, many of us in our community are already skeptical of LILCO's words and intentions. The fact that LILCO might also be involved in a conflict of interest--being both operator of the plant and initiator of emergency actions--would tend to intensify doubts about the validity of LILCO's information during an emergency.

Now, be it therefore

RESOLVED, that the Mt. Sinai Parent Teacher Organization finds that LILCO's emergency plans for our schools do not offer us adequate protection or quick and effective evacuation for our children in the event of an accident at the Shoreham Nuclear Power Plant; and

p. 3--RESOLUTION

RESOLVED, that we agree with our Suffolk County legislators that in fact no safe evacuation of our community is possible; and

RESOLVED, that we believe that a full-power license should not be granted to the Shoreham Nuclear Power Plant.

11/7/83

Mrs. Yolanda Puterio, President of the Middle Country Secretarial Association to offer a statement re: negotiations.

A representative of the Andrea Doria Lodge requested consideration of band participation in the Columbus Day Parade next year.

Arlene Popaleski, Hawkins Path PTA to comment upon the success of the Halloween Party at Hawkins Path; to advise the Board of the Theatre Club activity; and requested that there be input when the report of the RESS Committee is discussed.

Jennie Canastra, Hawkins Path to comment upon the underbrush along Boyle Road and the need for sidewalks there.

Roberta Dangel re: substitute teacher placement

Ray Probeyahn re: aged out handicapped students, offered his services in this regard.

Superintendent's Report-

SUPERINTENDENT'S
REPORT

Mrs. Adler led discussion concerning the resolution adopted last year and re-affirmed on August 15, 1983 to wit:

WHEREAS, the Middle Country Central School District's Board of Education has as its prime concern the welfare of the children of the School District and

WHEREAS, the Long Island Lighting Company has not been able to insure that its proposed Shoreham Power Plant can meet acceptable safety standards, and

WHEREAS, no acceptable evacuation plan has been devised by the Long Island Lighting Company and Suffolk County

BE IT RESOLVED that the Board of Education in the interest of protecting the welfare of the children of Middle Country does hereby go on record as opposed to the opening of the Shoreham Power Plant until both an acceptable safety standard can be met and an acceptable evacuation plan can be developed.

Mrs. Adler asked the Board to consider that the above stated resolution might be sufficient and there would be no need to go further.

SHOREHAM
POWER
PLANT

✓ The following resolution was offered by Gallo, who moved its adoption, seconded by Durkin to wit:

11/7/83

WHEREAS, federal regulations for full power operation of the Shoreham Nuclear Power Plant require an emergency plan for communities surrounding the plant which will assure those communities adequate protection in event of a nuclear emergency; and

WHEREAS, the County of Suffolk has determined, after substantive study and lengthy hearings, that no emergency plan can be developed to provide citizens sufficient protection in a Shoreham emergency; and

WHEREAS, the County of Suffolk has therefore concluded that it cannot, in good faith, prepare or implement an emergency plan, or support full power operation of the Shoreham Nuclear Power Plant; and

WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which only LILCO, lacking coordination with local or state governments, will attempt to implement; and

WHEREAS, the Nuclear Regulatory Commission's Shoreham licensing board is now conducting hearings to review the adequacy of the LILCO emergency plan; and

WHEREAS, the LILCO emergency plan includes protective actions to be taken by schools; and

WHEREAS, this board of education, having reviewed LILCO's emergency plan for schools, and having discussed those plans with concerned parents, wishes to advise the NRC's Shoreham licensing board of the plan's workability for its district; and

WHEREAS, this board has identified the following weaknesses in the LILCO emergency plan:

1. Early Dismissal
Normal early dismissal procedures, which LILCO's plan incorporates, cannot bring children to uncontaminated areas quickly enough to protect their health and safety.
2. Transportation
We cannot guarantee that the requisite number of buses and drivers required for successful

17/83

early dismissal will be available to the schools. Drivers may need to first attend to the safety of their own families and may decline to drive school buses. This will prolong childrens' stay at schools in contaminated areas.

3. Needs of School Personnel

We cannot guarantee that teaching and non-teaching personnel will stay in schools to supervise early dismissal. These teachers and staff may need to attend to the safety of their own families and therefore may not be available to perform emergency-related tasks.

4. Lack of Parental Supervision

The success of an early dismissal plan depends not only on prompt dismissal from schools, but on prompt evacuation of children from their homes. In cases in which parents will not be at home during the day, children will be sent to unsupervised homes from which they will not be able to evacuate promptly.

5. Parental Intercession

We cannot be confident that parents will wait at home for their children to arrive. Many parents may attempt to retrieve their children at schools, perhaps causing increased confusion and chaos.

6. Panic

An announcement of a nuclear emergency at Shoreham may cause disorientation and panic in children, teachers, non-teaching staff, and parents. This will further prohibit effective, safe dismissal from schools.

7. Relocation

If a Shoreham emergency develops quickly and requires an evacuation of children from schools directly to relocation centers, this district will not have sufficient buses or drivers to transport all children to relocation centers in a timely, efficient manner.

8. Supervision at Relocation Centers

We cannot guarantee that teaching and/or non-teaching school personnel will travel to and remain at relocation centers to supervise children

until parents arrive to retrieve them.

11/7/83

9. Sheltering

The LILCO plan suggests that sheltering (remaining indoors) may be the preferred protective action in specific Shoreham emergencies. However, many of this district's schools do not have basements or other structures necessary to provide adequate protection.

10. Trust in Public Information

In the LILCO plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK-AM Radio, will both describe the extent of the emergency and recommend actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School Administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of information from an objective source.

11. Indemnification

LILCO does not provide indemnification for school districts should damages, injuries, or deaths result from school administrators' decisions during an emergency, decisions which can be based only upon information and recommendations offered by LILCO.

Now, be it therefore

RESOLVED, that this school district finds that LILCO's emergency plans for schools do not offer children school personnel, or parents of this district adequate protection in event of an accident at the Shoreham Nuclear Power Plant; and be it further

RESOLVED, that this school board cannot direct its schools to initiate or participate in emergency actions which not only fail to protect childrens' safety, but place it in further jeopardy; and, be it further

RESOLVED, that this school board believes that full power licensing of the Shoreham Nuclear Power Plant should be forbidden unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved.

MILLER PLACE UNION FREE SCHOOL DISTRICT

MILLER PLACE, NEW YORK 11764

(516) 473-0123

83 SEP 19 P2:45

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

ADMINISTRATION

DR. JAMES B. BOYD, Superintendent
MARGARET M. FINN, Administrative Asst.
JOHN F. MARINO, Business Administrator

BOARD OF EDUCATION

RAYMOND E. EVANS, President
WILLIAM H. HINE, Vice President
ANTHONY RIZZUTO
SUSAN A. SOKEL
JANIS M. WALSH

SERVED SEP 20 1983

September 15, 1983

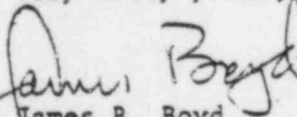
Commissioner Nunzio Palladino
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Commissioner Palladino:

Shoreham Nuclear Plant

I call your attention to the enclosed Resolution
which was passed by the Miller Place Board of Education on
September 1, 1983.

Very truly yours,


James B. Boyd
Superintendent

JBB:ps
Enclosure

MILLER PLACE UNION FREE SCHOOL DISTRICT
Miller Place, New York 11764

SCHOOL BOARD RESOLUTION

WHEREAS, federal regulations for full power operation of the Shoreham Nuclear Plant require an emergency plan for communities surrounding the plant which will assure those communities adequate protection in event of a nuclear emergency; and

WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which LILCO, lacking coordination with local or state governments, will attempt to implement; and

WHEREAS, the Nuclear Regulatory Commission's Shoreham licensing board is now conducting hearings to review the adequacy of the LILCO emergency plan; and

WHEREAS, the LILCO emergency plan includes protective actions to be taken by schools; and

WHEREAS, this board has identified the following weaknesses in the LILCO emergency plan:

1. Early Dismissal

Our emergency early dismissal procedure, which LILCO's plan incorporates, wouldn't bring school children to an uncontaminated area quickly enough to protect their health and safety.

2. Transportation

The requisite number of buses and drivers required for successful early dismissal are not available to the schools. This will prolong childrens' stay at schools in contaminated areas.

3. Needs of School Personnel

We cannot guarantee that teaching and non-teaching personnel will stay in schools to supervise early dismissal. These teachers and staff may need to attend to the safety of their own families and, therefore, may not be available to perform emergency-related tasks.

4. Lack of Parental Supervision

The success of an early dismissal plan depends not only on prompt dismissal from schools, but on prompt evacuation of children from their homes. In those cases in which parents will not be at home during the day, children will be sent to unsupervised homes from which they will not be able to evacuate promptly.

5. Parental Intercession

We cannot be confident that parents will wait at home for their children to arrive. Many parents may attempt

to retrieve their children at schools, perhaps causing increased confusion and chaos.

6. Relocation

If a Shoreham emergency develops quickly and requires an evacuation of children from schools directly to relocation centers, this district does not have sufficient buses or drivers to transport all children to relocation centers in a timely, effective manner.

7. Supervision at Relocation Centers

We cannot guarantee that teaching and/or non-teaching school personnel will travel to and remain at relocation centers to supervise school children until parents arrive to retrieve them.

8. Sheltering

The LILCO plan suggests that sheltering (remaining indoors) may be the preferred protective action in specific Shoreham emergencies. However, none of this district's schools have basements or other structures necessary to provide adequate protection.

9. Trust in Public Information

In the LILCO plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK-AM Radio, will both describe the extent of the emergency and recommend actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of a directive from a responsible governmental source.

10. Indemnification

LILCO does not provide indemnification for school districts should damages, injuries, or deaths result from school administrators' decisions during an emergency, decisions which can be made based only upon information and recommendations offered by LILCO.

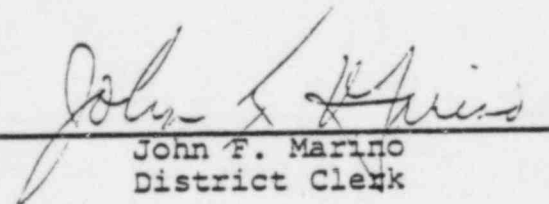
Now, be it therefore

RESOLVED, that the Miller Place Union Free School District finds that LILCO's emergency plans for schools do not offer children or school personnel of this district adequate protection in event of an accident at the Shoreham Nuclear Plant; and, be it further

RESOLVED, that this school board believes that licensing of the Shoreham Nuclear Plant should not be permitted unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved.

* * * *

The above Resolution was passed by the Miller Place Union Free School District Board of Education at the Board Meeting on September 1, 1983.


John F. Marino
District Clerk

SERVED DEC 23 1983

DOCKETED
USNRC

'83 DEC 22 P4:16

11 +
TEACHERS' ASSOCIATION
VU. Sinai

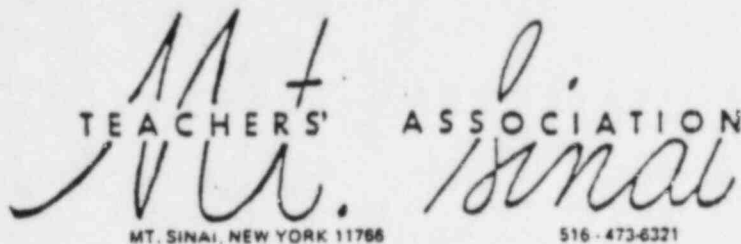
DOCKET NUMBER 50-322-01-3 MT. SINAI, NEW YORK 11766

516-473-6321

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

RESOLUTION

- WHEREAS, federal regulations for full power operation of the Shoreham Nuclear Plant require an emergency plan for communities surrounding the plant which will assure those communities adequate protection in event of a nuclear emergency; and
- WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which LILCO, lacking coordination with local or state governments, will attempt to implement; and
- WHEREAS, the LILCO emergency plan includes protective actions to be taken by schools; and
- WHEREAS, this association has identified the following weaknesses in the LILCO emergency plan:
1. Early Dismissal
Our emergency early dismissal procedure, which LILCO's plan incorporates, wouldn't bring school children to an uncontaminated area quickly enough to protect their health and safety.
 2. Transportation
The requisite number of buses and drivers required for successful early dismissal are not available to the schools. This will prolong childrens' stay at schools in contaminated areas.
 3. Needs of Teachers
We cannot guarantee that the teachers will stay in schools to supervise early dismissal. Many of us may need to attend to the safety of our own families and, therefore, may not be available to perform emergency-related tasks.
 4. Lack of Parental Supervision
The success of an early dismissal plan depends not only on prompt dismissal from schools, but on prompt evacuation of children from their homes. In those cases in which parents will not be at home during the day, children will be sent to unsupervised homes from which they will not be able to evacuate promptly.
 5. Parental Intercession
We cannot be confident that parents will wait at home for their children to arrive. Many parents may attempt to retrieve their children at schools, perhaps causing increased confusion and chaos.
 6. Relocation
If a Shoreham emergency develops quickly and requires an evacuation of children from schools directly to relocation centers, this district does not have sufficient buses or drivers to transport all children to relocation centers in a timely, effective manner.



Mt. Sinai Teachers' Assn.
RESOLUTION - page 2

7. Supervision at Relocation Centers

We cannot guarantee that teachers will travel to and remain at relocation centers to supervise school children until parents arrive to retrieve them.

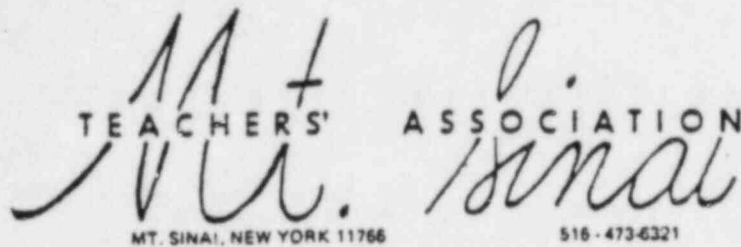
8. Trust in Public Information

In the LILCO plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK-AM Radio, will both describe the extent of the emergency and recommend actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of a directive from a responsible governmental source.

Now, be it therefore

RESOLVED, that the Mount Sinai Teachers Association finds that LILCO's emergency plans for schools do not offer children or school personnel of this district adequate protection in event of an accident at the Shoreham Nuclear Plant; and, be it further

RESOLVED, that this association believes that licensing of the Shoreham Nuclear Plant should not be permitted unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved.



I have read the Mount Sinai Teachers' Association Resolution on the Shoreham Nuclear Plant. I support the Association's Resolution.

NAME

Johanna Stoeck
 Gene Silbert
 Ellen J. Koston
 Lynn M. Capobianco
 William F. Corboy
 John R. Martignetti
 Juan Sanchez
 John J. Smith
 Lynn Clark
 Joseph F. Calton
 Linda Buff
 Roger Smith
 Barbara J. Bunch
 Thomas J. Bunch
 Jane M. Morgan
 C. Corbett
 H. Nelson
 Anthony J. Finelli
 J. J. Christ
 Charlene M. Fullington
 Barbara Capwell
 Helen Talbot
 Donna Peterson

NAME

Rose Marie M. Winkler
 Carol Scanlon
 Barbara J. Heron
 Kenneth H. Laiter
 Carmen H. H.
 Teresa A. Gonsky
 Carol Schipper
 Nancy A. Kline
 Gisela Laaser

TEACHERS'

ASSOCIATION

MT. SINAI, NEW YORK 11766

516-473-6321

I have read the Mount Sinai Teachers' Association Resolution on the Shoreham Nuclear Plant. I support the Association's Resolution.

name

Sarah W. Brush

Bonnie Samuels

Richard Eisman

Mary A. Storey

Nancy L. Loble

Patricia McMulley

Susan Donnelly

Patricia Liana

Kerry Marx

Lynne Greenman

Barbara Palma

Carol Wallace

Andrew L. Faulkner

Clyde Zuckerman

Karen Holton

John W. J. R.

Gene Oley

Barbara Stone

Thomas Walker

name

Carmela Vassallo

Sandra M. Smith

Jacqueline M. Foster

Susan Sturm

Allen Scholtes

Ann Finigan

Joe G. G.

Barbara Felt

Patricia Ungerhask

Naomi Balkan

Ann Suda

Anne Fliper

Marion Burgess

Barbara Rockoff

Karen Cornuech

Betty Weiner

Blanche A. Leon

Linda Sill

Harriet Ruth Kalich
m. Greenberg
Celeste McKinstry

MIDDLE ISLAND CENTRAL SCHOOLS

MIDDLE ISLAND - YAPHANK ROAD - MIDDLE ISLAND, NEW YORK 11953

516-345-2788



DOCKETED
USMRC

BOARD OF EDUCATION

George E. Pheips, President

John A. Stas, Vice President

Arend Behrens

Pamela Bethel

Jim Dentel

Annette Longo

James Ruffin

OFFICE OF BENJAMIN WEISS
DOCKETING & SERVICE
BRANCH

SERVED OCT 25 1983

October 3, 1983

James A. Laurenson, Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Laurenson,

Please be advised that the attached School Board Resolution was adopted at a regular meeting of the Middle Island Central School District's Board of Education on September 29, 1983.

Very truly yours,

Lori D'Amico
District Clerk

/lad

NICK F. MUTO
Superintendent
HENRY HEISSEN BUTTEL
District Treasurer
JACQUELINE LANZARONE
District Clerk

DOCKETED
USNRC

SCHOOL BOARD RESOLUTION

'83 OCT 25 AIO:57

WHEREAS, federal regulations for full power operation of the Shoreham Nuclear Plant require an emergency plan for communities surrounding the plant which will assure those communities adequate protection in event of a nuclear emergency;

WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which LILCO, lacking coordination with local or state governments, will attempt to implement; and

WHEREAS, the Nuclear Regulatory Commission's Shoreham licensing board is now conducting hearings to review the adequacy of the LILCO emergency plan; and

WHEREAS, the LILCO emergency plan includes protective actions to be taken by schools; and

WHEREAS, this board has identified the following weaknesses in the LILCO emergency plan:

1. Early Dismissal
Our emergency early dismissal procedure, which LILCO's plan incorporates, wouldn't bring school children to an uncontaminated area quickly enough to protect their health and safety.
2. Transportation
The requisite number of buses and drivers required for successful early dismissal are not available to the schools. This will prolong childrens' stay at schools in contaminated areas.
3. Needs of School Personnel
We cannot guarantee that teaching and non-teaching personnel will stay in schools to supervise early dismissal. These teachers and staff may need to attend to the safety of their own families and, therefore, may not be available to perform emergency-related tasks.
4. Lack of Parental Supervision
The success of an early dismissal plan depends not only on prompt dismissal from schools, but on prompt evacuation of children from their homes. In those cases in which parents will not be at home during the day, children will be sent to unsupervised homes from which they will not be able to evacuate promptly.
5. Parental Intercession
We cannot be confident that parents will wait at home for their children to arrive. Many parents may attempt

to retrieve their children at schools, perhaps causing increased confusion and chaos.

6. Relocation

If a Shoreham emergency develops quickly and requires an evacuation of children from schools directly to relocation centers, this district does not have sufficient buses or drivers to transport all children to relocation centers in a timely, effective manner.

7. Supervision at Relocation Centers

We cannot guarantee that teaching and/or non-teaching school personnel will travel to and remain at relocation centers to supervise school children until parents arrive to retrieve them.

8. Sheltering

The LILCO plan suggests that sheltering (remaining indoors) may be the preferred protective action in specific Shoreham emergencies. However, none of this district's schools have basements or other structures necessary to provide adequate protection.

9. Trust in Public Information

In the LILCO plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK-AM Radio, will both describe the extent of the emergency and recommend actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of a directive from a responsible governmental source.

10. Indemnification

LILCO does not provide indemnification for school districts should damages, injuries, or deaths result from school administrators' decisions during an emergency, decisions which can be made based only upon information and recommendations offered by LILCO.

Now, be it therefore

RESOLVED, that the Middle Island Central School District finds that LILCO's emergency plans for schools do not offer children or school personnel of this district adequate protection in event of an accident at the Shoreham Nuclear Plant; and, be it further

RESOLVED, that this school board believes that licensing of the Shoreham Nuclear Plant should not be permitted unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved.

* * * * *

The above Resolution was passed by the Middle Island Central School District Board of Education at the Board Meeting on September 29, 1983.

Lori D'Amico

Lori D'Amico
District Clerk

RECEIVED
DEC 5 10 27 AM '83

OFFICE OF THE
SUFFOLK COUNTY
EXECUTIVE
HAUPPAUGE, N.Y.

Saint Andrew's School
Division Street
Sag Harbor, New York 11963

DOCKETED
USNRC

'83 DEC -1 P4:29

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

50-322-OL-3

SERVED DEC 11 1983

November 22, 1983

Commissioner Nunzio Palladino
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Palladino:

Shoreham Nuclear Plant

I call your attention to the enclosed Resolution
which was passed by the St. Andrew's School Board.

Very truly yours,

John T. Blodorn

John Blodorn
President, School Board

JB: nb
Enclosure

'83 DEC -1 P4:29

SCHOOL BOARD RESOLUTION

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

- WHEREAS, the County of Suffolk has determined, after substantive study and lengthy hearings, that no emergency plan can be developed to provide citizens sufficient protection in a Shoreham emergency; and
- WHEREAS, the County of Suffolk has therefore concluded that it cannot, in good faith, prepare or implement an emergency plan, or support full power operation of the Shoreham Nuclear Plant; and'
- WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which only LIILCO, lacking coordination with local or state governments, will attempt to implement; and
- WHEREAS, the Nuclear Regulatory Commission's Shoreham licensing board is now conducting hearings to review the adequacy of the LIILCO emergency plan; and
- WHEREAS, the LIILCO emergency plan includes protective actions to be taken by schools; and
- WHEREAS, this board of education, having reviewed LIILCO's emergency plans for schools, and, having discussed those plans or lack of with concerned parents, wishes to advise the NRC's Shoreham licensing board of the plan's workability for its district; and
- WHEREAS, this board has identified the following weaknesses in the LIILCO emergency plan which has excluded the East End schools, but the following weaknesses still apply should there be an accident at Shoreham:

1. Transportation - We cannot guarantee that the number of buses and drivers required for successful early dismissal, in case of a radiological accident, will be available to the schools. Drivers may need to first attend to the safety of their own families and may decline to drive school buses. This will prolong childrens' stay at schools in possibly contaminated areas.

2. Needs of School Personnel - We cannot guarantee that teaching and non-teaching personnel will stay in schools to supervise students in case of a radiological accident. These teachers and staff may need to attend to the safety of their own families and therefore may not be available to perform

emergency related tasks.

3. Lack of Parental Supervision - The success of any dismissal plan depends not only on prompt dismissal from schools, but on prompt evacuation of children from their homes. In those cases in which parents will not be at home during the day, children will be sent to unsupervised homes from which they will not be able to evacuate promptly.

4. Parental Intercession - We cannot be confident that parents will wait at home for their children to arrive. Many parents may attempt to retrieve their children at schools, perhaps causing increased confusion and chaos.

5. Panic - An announcement of a nuclear emergency at Shoreham may cause disorientation and panic in children, teachers, non-teaching staff, and parents. This will further prohibit effective, safe dismissal from schools.

6. Relocation - If a Shoreham emergency develops quickly and requires an evacuation of children from schools, this district will not have sufficient buses or drivers to transport all children to their homes in a timely, effective manner.

7. Sheltering - It is suggested that sheltering (remaining indoors) may be the preferred protective action in specific Shoreham emergencies. However, many of this district's schools do not have basements or other structures necessary to provide adequate protection.

8. Trust in Public Information - East End School administrators receiving, at best, second-hand information, will be forced to decide upon actions with potentially serious consequences without the benefit of information from an objective source.

9. Indemnification - LILCO does not provide indemnification for school districts should damages, injuries, or deaths resulting from school administrators decisions during an emergency, decisions which can be made based only upon information and recommendations offered by LILCO.

NOW, BE IT THEREFORE

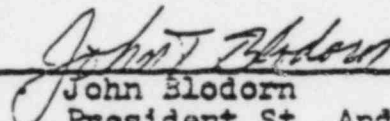
RESOLVED, that this school board finds it impossible to offer children, school personnel, and parents of this school adequate protection in the event of an accident at the Shoreham Nuclear Plant; and be it further

RESOLVED, that this school board cannot direct its schools to initiate or participate in emergency actions which not only fail to protect childrens' safety, but place it in further jeopardy; and, be it further

RESOLVED, that this school board believes that any power licensing of the Shoreham Nuclear Plant should be forbidden unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved, and, be it further

RESOLVED, that this school board make it known that although we have been excluded from any evacuation plan, we cannot guarantee that our staff will remain here in our East End district which could ultimately lead to panic, resulting in a series of incidents of which we cannot take responsibility.

The above resolutions was passed by St. Andrew's School Board as the majority of school families were in agreement with it.



John Blodorn
President St. Andrew's
School Board



Sound Beach Pre-School Co-Op

P.O. BOX 308 - SOUND BEACH, NEW YORK 11789

RESOLUTION PRESENTED TO THE MEMBERSHIP OF THE SOUND BEACH PRE-SCHOOL ON NOVEMBER 16, 1983

- "WHEREAS, federal regulations for full power operation of the Shoreham Nuclear Plant require an emergency plan for communities surrounding the plant which will assure those communities adequate protection in event of a nuclear emergency and,
- "WHEREAS, the Long Island Lighting Company, in an effort to meet federal regulations, has prepared an emergency plan which LILCO, lacking coordination with local or state governments, will attempt to implement; and
- "WHEREAS, the Nuclear Regulatory Commission's Shoreham licensing board is now conducting hearings to review the adequacy of the LILCO emergency plan; and
- "WHEREAS, the LILCO emergency plan includes protective actions to be taken by the schools, and
- "WHEREAS, this board has identified the following weaknesses in the LILCO emergency plan :
- "1. Early Dismissal
Our emergency early dismissal procedure, which LILCO's plan incorporates, would not bring school children to an uncontaminated area quickly enough to protect their health and safety.
 - "2. Transportation
In an attempt to retrieve their children, parents will be faced, not only with added road congestion due to the ongoing evacuation procedures, but also with the possible conflict regarding older siblings being returned to an empty home while the parent is in transit to and from our school.
 - "3. Needs of School Personnel
We cannot guarantee that teaching personnel will stay in school to supervise early dismissal. These teachers need to attend to the safety of their own families and, therefore, may not be available to perform emergency related tasks.
 - "4. Notification
The success of an early dismissal plan depends on prompt dismissal from schools. In those cases in which parents will not be home during the day, the school may not be able to contact them by phone. We must also take into consideration that congested telephone lines would hamper our attempts to notify parents immediately.

"5. Relocation

If a Shoreham emergency develops quickly and requires an evacuation of children from schools directly to relocation centers, this school does not have any vehicles or drivers to transport all children to relocation centers in a timely effective manner.

"6. Supervision at Relocation Centers

We cannot guarantee that teaching or non-teaching personnel could travel to and remain at relocation centers to supervise school children until parents arrive to retrieve them.

"7. Sheltering

The LILCO plan suggests that sheltering (remaining indoors) may be the preferred protective action in specific Shoreham emergencies. However, none of this district's schools nor our own school have basements or other structures necessary to provide adequate protection.

"8. Trust in Public Information

In the LILCO plan, the only public information upon which to base decisions for protective actions will come from the utility. LILCO, through its Public Schools Coordinator and WALK AM Radio, will both describe the extent of the emergency and recommend actions. Because LILCO would be both operator of the plant and initiator of emergency actions, potential for conflict of interest exists. School administrators, receiving information only from LILCO and not from any governmental agency, will be forced to decide upon actions with potentially serious consequences without the benefit of a directive from a responsible governmental source.

"9. Indemnification

LILCO does not provide indemnification for school districts should damages, injuries, or deaths result from school administrators decisions during an emergency, decisions which can be made based only upon information and recommendations offered by LILCO.

"Now, be it therefore

"RESOLVED, that the Sound Beach Pre-School finds that LILCO's emergency plans for schools do not offer children or school personnel of the Sound Beach Pre-School adequate protection in the event of an accident at the Shoreham Nuclear Plant; and, be it further

"RESOLVED, that this school board believes that licensing of the Shoreham Nuclear Plant should not be permitted unless or until complete and reasonable resolution of these outstanding, critical emergency planning problems can be achieved. "

UNANIMOUSLY ADOPTED BY THE BOARD AND THE MEMBERS OF THE SOUND BEACH PRE-SCHOOL AT THE GENERAL MEETING ON NOVEMBER 16th, 1983.

Marie-Anne Humbert-Boasi

Directrice of the Sound Beach Pre-School

William Floyd Union Free School District

DOLKETER
UNION

of the

MASTICS-MORICHES-SHIRLEY

240 Mastic Beach Road

Mastic Beach, New York 11951

Telephone (516) 281-3020

BOARD OF EDUCATION

Rita Rech, President
Robert Reichert, Vice President
Nicholas Bouhouris
Jeananne Dawson
Thomas Galinski
Henry Hennessey
Mark Matthews

SUPERINTENDENT OF SCHOOLS
Nicholas Poulos 83 DEC 12 P2:27

ASSISTANT SUPERINTENDENTS
Wayne Williams, Elem. & Administration
Dr. Eric G. Waxman, Jr., Secondary
Dr. Lewis Wasserman, Special Education
BRANCH

ASSISTANT TO THE SUPERINTENDENT
James A. Wright, Business

50-322-01-3
PROD. & UTIL. REG.

December 7, 1983

SERVED DEC 10 1983

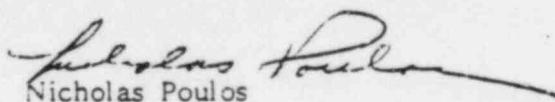
Mr. James A. Laurenson, Chairman
Atomic Safety and Licensing Bureau
United States Nuclear Regulation Commission
Washington, D.C. 20555

Dear Mr. Laurenson:

The William Floyd School District is on the fringe of the ten mile radius surrounding the Long Island Lighting Company plant at Shoreham.

While the School Board is not taking a position for or against the opening of the plant, it does oppose the proposed evacuation plans in the event of an emergency. The plant should not be allowed to open until such time that a realistic and workable evacuation plan is developed.

Very truly yours,


Nicholas Poulos

Np/em

The New Interdisciplinary School

-FOR FAMILIES OF CHILDREN WITH SPECIAL NEEDS-

1 Scouting Boulevard • Medford, New York 11763 • Tel. (516) 924-5583

RHODA ROGOFF
Director

CLAIRE SALANT
Director

DEC 5 1983

RECEIVED
DEC 5 10 22 AM '83
OFFICE OF THE
SUFFOLK COUNTY
EXECUTIVE
HAUPPAUGE, N.Y.

December 2, 1983

The Honorable Peter Fox Cohalan
Suffolk County Executive
H. Lee Dennison Building
Veterans Memorial Highway
Hauppauge, New York 11788

Dear Mr. Cohalan:

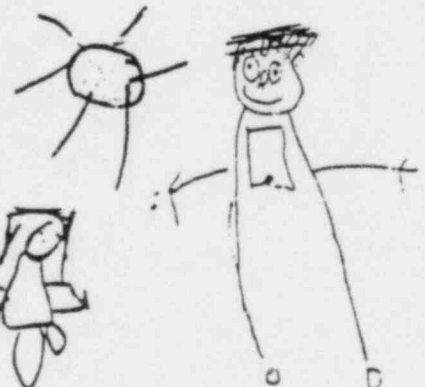
We are enclosing a copy of our letter addressed to the Atomic Safety and Licensing Board which concerns the Shoreham Nuclear facility and which we believe will be of interest to you.

Sincerely,

Claire Salant
Claire Salant

Rhoda Rogoff
Rhoda Rogoff
Directors

CS:RR:EL



The New Interdisciplinary School

-FOR FAMILIES OF CHILDREN WITH SPECIAL NEEDS-

1 Scouting Boulevard • Medford, New York 11763 • Tel. (516) 924-5583

RHODA ROGOFF
Director

CLAIRE SALANT
Director

November 18, 1983

Atomic Safety and Licensing Board
Nuclear Regulatory Commission
Washington, D.C. 20555

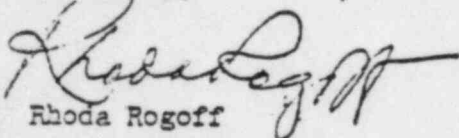
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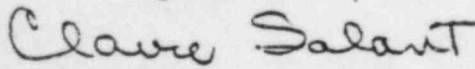
We are writing to bring to your attention the passage of a resolution of our Board of Trustees concerning emergency evacuation planning for a nuclear accident originating in Shoreham. The resolution was passed at a special meeting on October 18, 1983.

The New Interdisciplinary School is a preschool for handicapped children from birth to 5 years of age who reside in Suffolk County. Over 85% of the children reside in school districts that fall within the emergency zone considered in LILCO's Emergency Evacuation Plan.

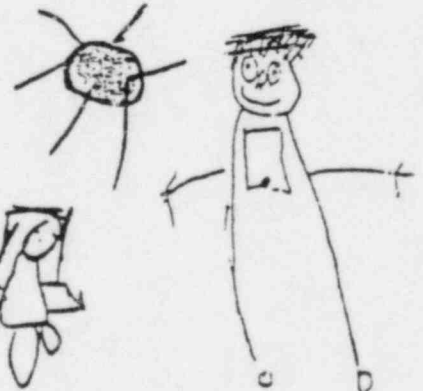
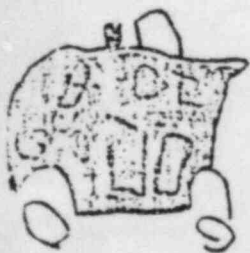
"RESOLVED, that LILCO's emergency evacuation plan for schools for its proposed Shoreham Nuclear Facility does not offer children, school personnel, or parents of The New Interdisciplinary School adequate protection in the event of an accident at the Shoreham Nuclear Facility."

Sincerely,


Rhoda Rogoff


Claire Salant
Directors

RR:CS:EL



ATTACHMENT 7

Newsday 10/22/83 - "New Defects Found at Shoreham"

Newsday 11/4/83 - "N-Plant Flaws Laid to Design Error"

Newsday 2/1/84 - "NRC Doubtful LILCO Can Fix Diesels"

Newsday 2/8/84 - "New Problem Halts 2 Shoreham Diesels"

Newsday 2/23/84 - "Panel Rejects LILCO Plan for Low-Power N-Plant
Test"

New Defects Found at Shoreham

By Stuart Diamond

Newsday Environment Writer

New tests of the failed emergency diesel generators at the Shoreham nuclear plant have uncovered additional defects in major components, including a broken bearing that was manufactured 44 per cent weaker than specifications required.

The new problems, uncovered in the past two weeks by Long Island Lighting Co. and its consultants, have led the utility to order a far broader study of the diesel design and manufacture.

"Some of the things we've seen worry us," William J. Museler, LILCO's nuclear office director, said in an interview yesterday.

The three diesels, needed to safely shut the reactor during an off-site power failure, were found in August to have cracked main engine shafts, leading to a several-months' delay in the operating

target for the practically completed, \$3.4-billion reactor. The diesel delay alone is expected to add about \$250 million to that price. The diesels initially cost \$2.11 million.

At first, LILCO thought the diesel problems might be limited to the engine shafts, or crankshafts, and the utility ordered three stronger ones.

But further tests and disassembly have found problems with other major components. One is a large, cylindrical bearing nearly a foot in diameter and connected to the engine shaft. Such bearings allow the shaft to turn after being driven by the pistons.

One of the bearings was broken in two pieces. Testing by LILCO's consultant, Failure Analysis Associates of Palo Alto, Calif., found that the bearing could withstand forces of 15,000 pounds per square inch, 44 per cent of the specified strength — 27,000 pounds. A second bearing was

found to have only 20,000 pounds of strength. Three other bearings were found cracked.

Museler said the 44 per cent weakness is the largest he's seen at the Shoreham plant. "It's certainly not good," he said. He added that the bearing failure seems unrelated to the crankshaft failure.

The engineer said that the diesel manufacturer, Transamerica Delaval of Oakland, Calif., had to certify its equipment met specifications, but he was unsure whether Delaval made a specific certification for the bearings.

Federal inspectors in the past three years repeatedly have criticized Delaval for its quality assurance program. Problems with Delaval diesels also have been found at many of the approximately 30 U.S. reactors with the company's units.

Museler said LILCO was satisfied with Delaval's overall quality assurance program by the time the diesels, ordered

in 1974, were installed at Shoreham several years later. But he added that not every facet of design and fabrication could be checked.

LILCO has ordered three new diesels from another manufacturer, Colt Industries, as supplements or replacements. Those units are expected within 10 months.

The most recent set of diesel tests, disclosed in a report issued Oct. 20, also found problems such as corrosion, wear in a main water pump and a short-circuit in one of the generators due to improper manufacture of a generator coil, Museler said.

The tests also found that some bearings were not properly supported and that the oil pressure was 14 per cent too high — a condition that can cause excessive wear.

Delaval officials couldn't be reached for comment.

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N-Plant Flaws Laid to Design Error

By Stuart Diamond
Newsday Environment Writer

A major design error by the manufacturer of the back-up diesel generators at the Shoreham nuclear plant is responsible for the cracks in the diesels' engine shafts, expert consultants hired by LILCO told federal officials yesterday.

So serious is the design error — underestimating the stress on the shafts — that federal officials said they will urge extensive tests and design reviews for other U.S. reactors with similar diesels, made by Transamerica Delaval of Oakland, Calif. And Long Island Lighting Co. officials said they will review dozens of diesel components designed with the same calculations that caused the crankshaft error.

Moreover, the chief technical expert

on the diesels for the U.S. Nuclear Regulatory Commission said there are indications that Shoreham's problem-plagued Delaval units will not be able to meet safety codes; if so, he said, the units can not be used. "They [Delaval] have made a major error in design," said J.T. Beard, the expert, after a four-hour meeting with 53 LILCO officials, other experts and various observers at the Shoreham plant yesterday. "I suspect LILCO will find more weak spots. Delaval's record here and elsewhere is poor."

LILCO officials contend that they will be able to fix the units by February and be ready to start test operation of the plant in March or April. If they cannot, new diesels — already on order from another manufacturer — will have to be installed. LILCO has said that that would delay the plant's commercial oper-

ation more than a year, to 1986; using LILCO figures, it would also add \$750 million in interest charges to the \$3.4-billion price tag. With the \$200 million in delay already caused largely by previous diesel failures, the new diesel problems could result in nearly \$1 billion in extra costs for the plant. The three units cost \$2.11 million; they are needed to safely shut the reactor during off-site power failures.

Delaval did not attend yesterday's meeting. Reached by phone, Frank N. McClure, executive vice president of the firm at its Lawrenceville, N.J., headquarters, said he was aware of yesterday's report, but he declined to comment. Essentially, Delaval severely underestimated the stresses on the engine crankshafts during diesel operation, said the expert consultants, Failure Analysis

Associates, a California firm hired by LILCO. Clifford Wells, the consulting firm's vice president, reported that Delaval in 1975 said that the operating stresses would be 2,580 pounds per square inch. Instead, he said, the crankshafts cracked because the operating stresses were nearly 6,000 pounds per square inch — more than double Delaval's figures.

"It was a basic design inadequacy," he said, backing up his conclusion with detailed graphs, high-resolution magnifications and other analysis. The firm did some of the principal studies on the 1981 aerial walkway collapse at the Hyatt Regency Hotel in Kansas City, Mo.

William Museler, LILCO nuclear office director, said the utility did not learn of the design error until after the

—Continued on Page 34

Blame in N-Plant Flaws

—Continued from Page 19

crankshafts failed in August and new, stronger crankshafts were ordered. Museler said data accompanying the new crankshafts indicated operating stresses twice those LILCO was told about eight years ago.

"We have asked Delaval why the 1975 numbers are different from the 1983 numbers and we have not gotten a satisfactory answer," Museler said. LILCO officials declined to comment on whether they would sue for damages. They plan extensive tests during the next three months to determine if there are other design problems.

NRC officials, meanwhile, had harsh words for Delaval, which is being investigated by the agency for potential criminal violation of federal codes in its quality-assurance program. "I have seen nothing that leads me to believe LILCO is not telling the truth, but I have seen a lot that disturbs me about Delaval," said Ralph Caruso, the NRC's Shoreham project manager.

Delaval has shipped nearly 30 diesels to U.S. nuclear plants, including several to reactors with operating licenses. Among them is Mississippi Power & Light's Grand Gulf, which started up in September for low-power testing. Two engineers from that utility attended yesterday's meeting but declined to comment.

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NRC Doubtful LILCO Can Fix Diesels

Key official says Shoreham's
backup units still unacceptable

By Stuart Diamond
Newsday Environment Writer

A top federal nuclear official said yesterday that the repaired, backup diesel generators at the Shoreham power plant are still "unacceptable" — even with their many new parts — and that it's uncertain whether the units can soon meet the requirements necessary for the finished plant to open.

Ralph Caruso, the U.S. Nuclear Regulatory Commission's Shoreham project manager and its lead staff member on the diesel problems, said during an interview that LILCO may still be able to prove that the diesels work properly. But he said it would be "very difficult" because there are so many defects and because many quality-control records at the manufacturer, Transamerica Delaval, are unreliable.

"Just replacing the parts doesn't make the [design] problems go away," he said. "We have very reduced confidence in the engines and significant doubts about their ability to perform their intended function."

If new diesels are needed, Shoreham's commercial operation may be delayed until 1987 — a year later than previously announced, according to Long Island Lighting Co. documents obtained by Newsday. Such a delay would mean a price tag of about \$5 billion for the plant — \$1.6 billion more than the last official estimate of \$3.4 billion, the documents show. At \$3.4 billion, the plant threatened electric-rate hikes of more than 40 per cent, in addition to a 21 per cent permanent rate hike now pending.

Caruso's comments were in marked contrast to recent statements by LILCO officials expressing confidence the units would pass their current tests by early April. Nuclear regulatory officials are monitoring the tests at LILCO and at other utilities with Delaval diesels. But the agency's skepticism about the ability of the diesels to meet requirements is based on numerous inspections of Delaval's Oakland, Calif., factory and reports of major problems with the units at various reactors, according to a transcript of a commission meeting last week.

LILCO spokeswoman Jan Hickman said yesterday that the company had no comment on Caruso's statements, the new cost estimates or other matters relating to potential diesel delays.

On Monday, William Catacosinos, a computer entrepreneur, replaced Charles Pierce as chief executive of the embattled utility. Pierce resigned under pressure from the board of directors, sources said. Catacosinos has declined to answer questions about his plans for the utility, including Shoreham. The diesels are among the major problems facing

—Continued on Page 26

Shoreham Diesels Still 'Unacceptable'

—Continued from Page 7

Catacosinos, who also must cope with LILCO's severely weakened finances and the political opposition to Shoreham's operation.

Shoreham's diesels, needed to safely shut down the reactor in some circumstances, failed during tests in August. Since then, Newsday has disclosed that Nuclear Regulatory Commission inspections show Delaval to have violated federal codes more than 60 times in diesel manufacturing.

The NRC is investigating evidence of potential criminal wrongdoing by Delaval — including "documentation discrepancies," federal sources said. Delaval has consistently declined comment.

Last week, Harold Denton, the commission's director of reactor regulation, told 13 utilities with 57 Delaval engines that none of their 16 nuclear plants would receive operating licenses until the problems "are adequately addressed." He called the problems "very serious." At Shoreham, dozens of defects have been found in the diesels, including cracked main engine shafts, pistons and cylinders.

Suffolk County, in testimony for upcoming federal hearings on the diesels, contends that Delaval increased the horsepower on the units without the engine redesign needed to increase overall strength. New, stronger crankshafts installed in the existing units, Suffolk contends, still cannot meet test requirements. "These diesels will never work right because they're undersized," Suffolk consulting attorney Alan Dynner said. "That's why everything is breaking." NRC officials also have suggested that the engines are undersized.

LILCO has replaced many of the major parts in its Delaval diesels, and Caruso said that the utility's testing program "is generally going in the right direction." But he cautioned that it is too soon to tell whether the diesels are usable. "Right now, running with new parts, they don't meet the requirements," Caruso said. "With the information we have, we would not license a plant with Delaval diesels, even with new diesel parts."

LILCO hopes to persuade the NRC with an unprecedented, detailed design review and validation of dozens of diesel components.

Meanwhile, the utility has ordered three new Colt Industries diesels as a contingency and is building a new structure at Shoreham to house them. According to minutes obtained by Newsday of an Oct. 26, 1983 LILCO board of directors meeting, the building and the new diesels would cost \$87 million and take 126 weeks to install beginning in September, 1983. Thus, if the Delaval units are scrapped, the time needed for the Colt units would push the initial plant operation to March, 1986. When the 6 to 9 months LILCO said it needs for testing and startup are added, commercial operation could be delayed until 1987.

In a January, 1984, Securities and Exchange Commission filing obtained yesterday, LILCO said it will have spent \$3.877 billion on Shoreham by the end of 1984 and that delays beyond then would cost \$40-\$45 million per month. Thus a two-year delay in commercial operations would mean a total cost of up to \$4.96 billion.

"The whole game is in the current diesels," Danielle Seitz, a utilities analyst with Smith Barney Harris Upham, said yesterday. If the Delaval units are scrapped, she said, "it would be very difficult to complete the plant."

New Problem Halts 2 Shoreham Diesels

By Stuart Diamond

Newsday Environment Writer

Two of the three repaired back-up diesel generators at the Shoreham atomic plant have been shut down due to another problem, which federal officials yesterday termed serious but not fatal.

Bearings in the turbochargers, which inject compressed air into the engine to boost power, failed while Long Island Lighting Co. was testing the diesels after major modifications. One unit failed last Wednesday, the second on Sunday. The diesels are expected to be shut down at least until the end of the week, federal officials said.

"This is a real problem and we're concerned about it," Charles Petrone, Shoreham site inspector for the U.S. Nuclear Regulatory Commission, said yesterday. "But we won't know the implications until the licensee (LILCO) and we determine the cause of the failure." He said it is the first major problem since the units' recent overhaul.

If the turbochargers are defective, they would have to be replaced, Petrone said. The most likely repairs would cause a slight delay in LILCO's plans to successfully complete the diesel tests. Approval of the diesels is the last step before LILCO can get a license to test the reactor at low power.

LILCO did not tell Suffolk about the problems, although the county is litigating the diesel issue in federal hearings. After being informed by Newsday of the failures, Frank Jones, deputy county executive, last night called the lack of notification by LILCO "an outrage" and said Suffolk would protest to federal authorities. "It's a clear cover-up," he charged. "As a party to the

LILCO Behind in Hiring;
Spokeswoman Resigns, Page 23

litigation, we should have been notified right away." He said the turbocharger problem is more proof the diesels are irreparable.

Ira Freilicher, LILCO vice president for public affairs, said LILCO notified the NRC of the problems and is trying to find the cause. He said one of the turbochargers failed on low oil pressure and the other was manually shut down after excessive noise and vibration. The third diesel, he said, is running normally. The NRC's Petrone said the damaged turbocharger bearings are scored and discolored from overheating.

The engines were made by Transamerica Delaval in Oakland, Cal. Federal officials two weeks ago said there are "very serious" problems with Delaval engines, 57 of which have been ordered for 16 nuclear plants. At Shoreham, the diesels have had many problems, including cracked cylinder heads and failed main engine shafts.

Meanwhile, Brookhaven National Laboratory and the NRC are preparing an agreement under which the lab would check the diesel repairs and analysis by utilities, said Herbert Kouts, the lab's Nuclear Energy Department chairman. Suffolk's Jones said the county would protest, since Kouts and other lab scientists favor opening the plant. Kouts, whose department would do the work, asserted that there is no conflict of interests since the work would be performed according to scientific standards.

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Panel Rejects LILCO Plan For Low-Power N-Plant Test

By Stuart Diamond
Newsday Staff Correspondent

Washington — A federal panel yesterday rejected a Long Island Lighting Co. bid to test the Shoreham nuclear plant at low power within three months and instead set hearings on the plant's troubled back-up diesel generators — a process that attorneys said would take at least until September.

In a major setback for LILCO, a Nuclear Regulatory Commission licensing panel turned down the utility's request that it be allowed to start up the plant before the design of the diesel generators had been approved. The utility has been seeking to accelerate the process because it says it must decide by June whether to abandon the plant to avoid bankruptcy.

But the panel, in refusing to approve the LILCO plan, said its concerns about the diesels are too deep to act otherwise.

"We don't have any confidence that any of these diesels can work under any power level," Lawrence Brenner, chief of the three-judge panel, said at the end of an all-day conference on Shoreham among representatives from LILCO, Suffolk County, New York State and the NRC staff.

LILCO officials declined comment on the decision. But Herbert Brown, an attorney for Suffolk County, which opposes Shoreham's operation, said the decision "chokes off virtually the last strategy by LILCO to get the plant on line."

Brown said a board decision to accept LILCO's plan would probably have enabled the utility to borrow enough money to keep afloat for a few more months.

On Tuesday, William Catacosinos, the utility's chairman, told state legislators the company had been unable to borrow because of the uncertainty surrounding Shoreham.

In its proposal, LILCO sought to test the three rebuilt diesel units and do a design review only of five major components. The full design review required for low-power testing includes more than 150 components. The NRC board said there was "no basis" to accept LILCO's proposal.

The diesels are needed to safely shut the reactor during a loss of off-site power and must meet strict safety tests. But dozens of problems have been found with the units both at Shoreham and elsewhere. The Shoreham problems have included broken engine shafts and cracked pistons and cylinder heads.

Yesterday, Suffolk attorney Alan Dyn-

ner argued that new problems are arising even as LILCO is making repairs.

The NRC has found major defects in both the design and manufacture of the units, made by Transamerica Delaval for 16 nuclear plants, and has said no reactors will operate until those problems are solved. LILCO's limited design review was opposed not only by Suffolk, but also by the state and the NRC staff, although the staff was willing to consider a broader but less-than-complete review for low power.

Gov. Mario Cuomo's representative, Fabian Falomino, said, "The track record of these diesels is such that there is no way they can be made safe by repair or replacement of parts."

LILCO also said yesterday that it had other possible means to replace the diesels, such as gas turbines near the Shore-

ham reactor. The NRC's Brenner said the board was open to that or other proposals but would have to be convinced with a detailed case and perhaps further hearings. The judge, however, appeared to scuttle the turbine proposal because the units in question do not meet NRC codes to withstand earthquakes.

LILCO is scheduled to finish testing its diesels April 22 and complete its design review in mid- to late May. The NRC hearing panel ordered a series of legal filings by the parties between now and early May and said it would set a further schedule, including hearings, shortly afterward.

Attorneys for both Suffolk and LILCO said hearings would consume much of the summer and that sheer logistics and complexity of the case made it highly improbable a decision could be rendered be-

fore September. Suffolk's Brown said November was a more realistic date.

Also yesterday, the NRC said Brookhaven National Laboratory had pulled out of a study of the Delaval diesels at Shoreham and elsewhere in the wake of complaints by Suffolk County. Suffolk officials have claimed that numerous lab scientists have been active in supporting Shoreham's opening.

"We felt it was more prudent to go with a contractor that did not even have an appearance of conflict," Harold Denton, chief of nuclear regulation, said, adding that technical problems involved in the diesels are difficult enough without complicating the issue.

Denton said the work is being shifted to Battelle Pacific Northwest Laboratories, a national laboratory near Hanford, Wash.

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ATTACHMENT 8

Newsday 10/9/83 - "Opposition to Shoreham Rises"

Opposition to Shoreham Rises

Poll indicates majority blame LILCO 'mismanagement' for N-plant's rising costs

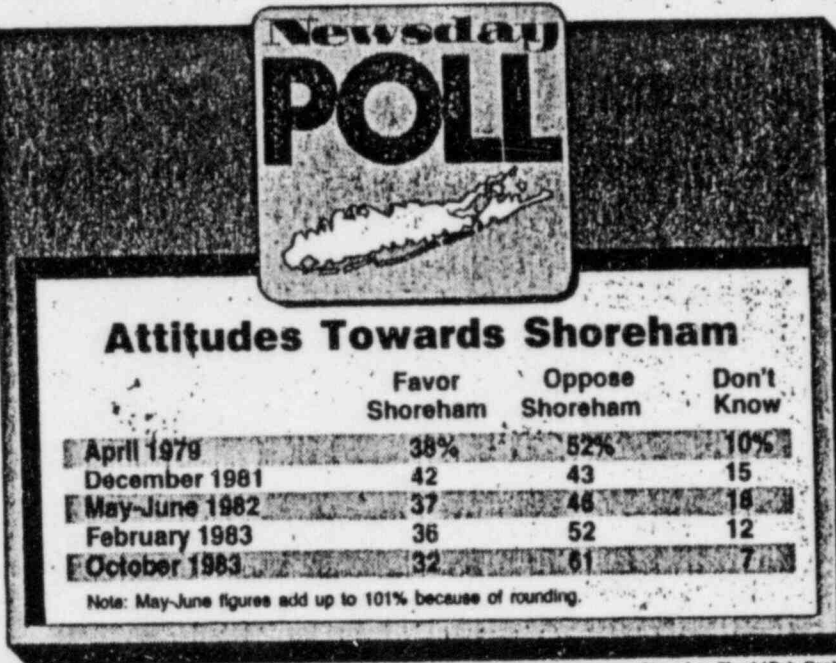
By Bernie Bookbinder
Newsday Senior Editor

More Long Islanders than ever oppose opening the Shoreham nuclear power plant and an overwhelming majority of them hold Long Island Lighting Co. "mismanagement" to blame for the project's escalating costs, according to the latest Newsday Poll.

The telephone survey, conducted among a representative sample of 605 Nassau and Suffolk residents who also had been interviewed about Shoreham in February, found that 61 per cent said LILCO should not complete and operate the nuclear facility, 32 per cent said it should and 7 per cent were undecided.

This represents an increase of 9 percentage points in opposition to Shoreham during the past seven months, a period in which LILCO announced it would seek a 56 per cent rate increase over three years, the \$3.4-billion plant's diesel generators were found defective and a Nuclear Regulatory Commission licensing board approved operation at low power once the generator problem is solved. In the past several weeks, Shoreham also has become the major issue in the campaign for Suffolk County executive.

The most dramatic change of attitude since February involved LILCO's competency. When asked in February whether the increase in the cost of the Shoreham plant was attributable mostly to factors beyond LILCO's control, such as changing governmental regulations and inflation, or mismanagement by LILCO, those polled were split, with 36 per cent



citing factors beyond LILCO's control and 38 per cent citing mismanagement.

But in the latest round of interviews, fully 62 per cent blamed mismanagement and only 19 per cent cited factors beyond the utility's control. Even a plurality of those who in February mentioned factors beyond LILCO's control now hold the company's management responsible by a 44-34 per cent margin.

Increasing dissatisfaction with LILCO

was expressed more directly in response to a question asking how favorably panelists viewed the utility. In February, 53 per cent said their opinion of LILCO was either favorable or very favorable, but in the latest survey this proportion dropped to only 35 per cent, while those with unfavorable or very unfavorable opinions rose to 63 per cent.

The new poll, a "panel study" in which the same respondents are reinterviewed

to trace shifts in attitude, was completed a week ago. It found that since February, 22 per cent had switched from supporting to opposing Shoreham, while only 8 per cent had changed from opposition to support.

Among those who became Shoreham opponents was Myrna Wagner, a clothing designer from Plainville, who attributed her change of mind to "enlightenment." The mother of four children ranging in age from 4 to 18, she said, "I've gotten more knowledge, and I know now that we won't profit from Shoreham, that it won't really do us any good." Although her home is more than 40 miles from the nuclear plant, Mrs. Wagner said fear was a factor. "I don't think they can make it that safe," she said. "I'm afraid for the sake of my children."

One of the plant's supporters, who lives much closer to Shoreham and who holds no such fears, is Randy Scheller of Stony Brook. "I'm more afraid of being hit by a drunken driver," the college student said. "There's a possibility of danger, but it's a very small possibility. You have to trust government officials. Nuclear energy is a very complex business, and I don't think the average person has the expertise. Besides, progress always involves risks."

In fact, concern about the safety of Shoreham, while still by far the most important reason for opposition, declined slightly during the past seven months. In February, 46 per cent of Shoreham's opponents said their belief that "nuclear

Continued on Page 30

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Increases, Poll Says

—Continued from Page 3

power plants are unsafe" was primarily responsible for their position, while in current survey, 41 per cent cited safety as a factor. The second most important reason given by opponents was their doubts that LILCO could operate the plant correctly, and this response rose from 22 to 28 per cent.

On a key issue of who should pay for Shoreham, respondents rejected LILCO's contention that none of the cost should be borne by its stockholders. When asked whether LILCO stockholders, ratepayers, the New York State government or the federal government should have to pay at least part of the cost of Shoreham, the largest proportion, 88 per cent, mentioned the stockholders.

Suffolk County Executive Peter F. Cohalan has made Shoreham a central part of his campaign for re-election, arguing that the plant should be abandoned because it is not possible to safely evacuate the 20-mile zone surrounding the plant. His Democratic opponent, Assem. Patrick G. Halpin, maintains that the opening of Shoreham is inevitable and that the county should cooperate in preparing an evacuation plan.

If Suffolk County is unsuccessful in blocking the licensing of Shoreham by the Nuclear Regulatory Commission, 54 per cent of those questioned said the county should work with LILCO to prepare an evacuation plan rather than continue its challenge in the courts. Forty-one per cent said the fight should go on.

According to the survey, Long Islanders agree that the opening of Shoreham is inevitable. An overwhelming 72 per cent said that they thought the plant will not open for the next few years, but will eventually open, compared to only 8 per cent who believe it will never open and 18 per cent who think it will open soon.

Regardless of whether Shoreham is finally approved, some opponents have proposed that LILCO should be taken over by Suffolk County with revenue raised through the sale of tax-free bonds. When asked if they would support such a proposition, 55 per cent of Suffolk residents said they definitely or probably would, 36 per cent said they definitely or probably would not and 9 per cent were undecided. Among Nassau residents, there was less support with 49 per cent in favor, 41 per cent opposed and 10 per cent undecided.

In response to other questions, the attitudes of Long Islanders remained largely similar to those revealed in the February survey. Once again, when asked how they would react to an accident at Shoreham if told to remain inside their homes, a plurality said they would evacuate. And, in response to a more general question, fully 72 per cent said it would not be possible to safely evacuate those near Shoreham in the event of an accident, an increase of 10 percentage points since February. Further, 68 per cent of the respondents, an increase of nine percentage points, said that LILCO's evacuation plan should not be approved by the state or federal government if Suffolk County believes it is impossible to have a safe evacuation.

The latest poll, conducted by Social Data Analysts, Inc. of Setauket between Sept. 27 and last Sunday, succeeded in reaching 605 of the 1,132 Long Islanders questioned in the February survey. Analysis by Stephen Cole, president of Social Data Analysts and a sociologist from the State University at Stony Brook, determined that there were no statistically significant differences in the composition of the two groups. Sampling error for a survey of this size is plus or minus 4 percentage points.

ATTACHMENT 9

Newsday 2/10/84 - "PSC Staff Urges LILCO Foot \$1B of N-Plant Bill"

Suffolk Life 2/15/84 - "LILCO hovering on the brink"

Daily News 2/6/84 - "Put \$ blame on LILCO chiefs"

Newsday 3/27/84 - "LILCO Requests 6-Month Delay In Hearings on Mismanagement"

Daily News 3/27/84 - "Ask delay in N-plant probe"

PSC Staff Urges LILCO Foot \$1B of N-Plant Bill

Finds Mismanagement of Shoreham Construction

By Stuart Diamond

Newday Environment Writer

The staff of the State Public Service Commission today is to recommend that Long Island Lighting Co. absorb more than \$1 billion of the Shoreham nuclear plant's cost as a penalty for mismanaging construction of the project, Newday has learned.

The recommendation, which would still have to be approved by the seven-member PSC after hearings are held, catalogs numerous poor management decisions and inefficient labor practices and adds up the cost of delays — including interest — that have resulted from such actions, state sources said.

State experts have said that a \$1-billion penalty could force LILCO into bankruptcy. Such a loss, if approved by the seven commissioners, would mean that investors would not be fully reimbursed by customers for some of the money they lent LILCO to build the \$4-billion plant.

The PSC staff's figure compares with a minimum penalty of \$2 billion suggested by the State Consumer Protection Board, Suffolk County and others in an audit filed last Friday, and with a \$500-million penalty that LILCO's chief executive said the company would probably be willing to accept in return for a financial rescue plan.

The company has consistently denied any mismanagement in the construction of the \$4-billion plant. Yesterday, LILCO released a report by Arthur D. Little Inc., a consultant the utility hired, cataloging a litany of problems during Shoreham's more than 10-year construction but concluding that LILCO did not mismanage the project. The report said LILCO acted prudently given common

utility practice and the information available when the decisions were made.

The disclosure of the penalties came amid a day of further bad news for LILCO. The company's stock fell \$1 per share yesterday, to \$8.87 — the lowest since the utility was first listed on the New York Stock Exchange in 1950. Utility analysts said the decline, in very heavy trading, followed reports that the company will probably reduce or eliminate its next quarterly dividend to help it remain solvent. Analysts said the dividend will likely be halved, to \$1 a share. It would be the first dividend cut since the utility's exchange listing in 1950.

In addition, federal officials disclosed that all three of Shoreham's emergency diesel generators are now shut due to failure of a key part. The repeated failure of the generators during testing has kept LILCO from getting a license to test the plant at low power.

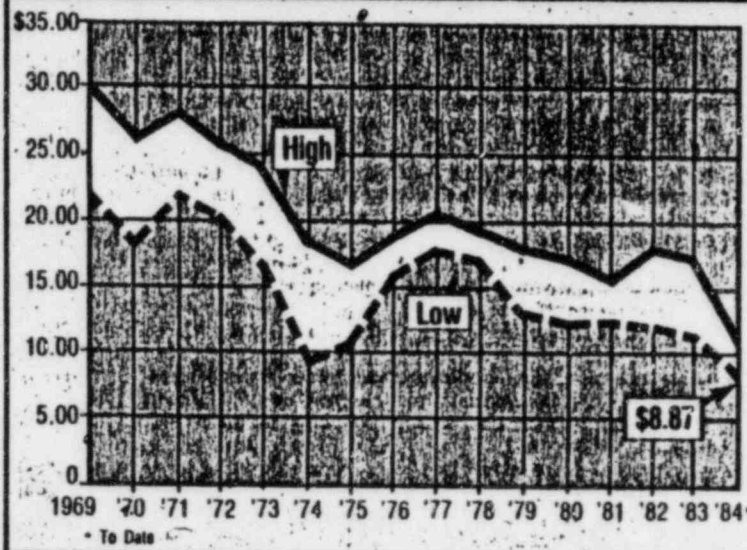
And partners with LILCO in the upstate Nine Mile 2 reactor, after Shoreham, the most costly U.S. nuclear plant, met yesterday in New York City to discuss LILCO's disclosure, that it might not be able to continue paying for its share in the project.

On Wednesday, LILCO's new chief executive, William Catacolinda, said the company would consider abandoning the completed atomic plant in return for state or county help in saving the concern. He indicated LILCO is probably willing to accept \$500 million in management penalties but stressed that LILCO will discuss nearly any option. And he said LILCO would become insolvent as early as May without aid or good news about the plant.

A major factor in LILCO's future, company officials have said, is the sever-

LILCO Stock

Annual high and low closing prices



Newday Chart/Forbes Handler

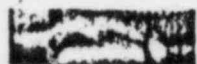
ity of the penalties suggested by the PSC staff. LILCO financial vice president Thomas O'Brien said Feb. 2 that if the staff recommends "substantial" penalties, the utility would probably not be able to borrow needed cash for some time. Most sources termed \$1 billion a substantial penalty.

The PSC staff audit, which fills six feet of documents, puts a cap on the amount of Shoreham's cost that the utility can collect from customers; everything above that would have to be absorbed by LILCO investors.

The precise cap was unavailable yesterday, but sources indicated it is \$2.9 billion at most. Shoreham's latest official cost is \$3.9 billion, although LILCO has said the cost could reach nearly \$5 billion if the current diesels cannot be repaired and new ones would need to be installed.

In its audit, the Consumer Protection Board suggested a \$1.9-billion cap on the plant's cost — meaning LILCO investors would have to absorb \$2 billion to \$3.1 billion in costs. That audit and the PSC's

—Continued on Page 25



U.S. Agency Used 'Blacklist'

PSC Staff Asks \$1B LILCO Penalty

—Continued from Page 5—
effort are to form the case against LILCO in upcoming hearings on the project.

PSC officials declined to comment yesterday. But Richard Kessel, Consumer Protection Board head, said: "Two major state agencies have independently come to the conclusion that at least \$1 billion in the plant's construction was imprudent and should not be paid by customers. That means there will be a significant penalty."

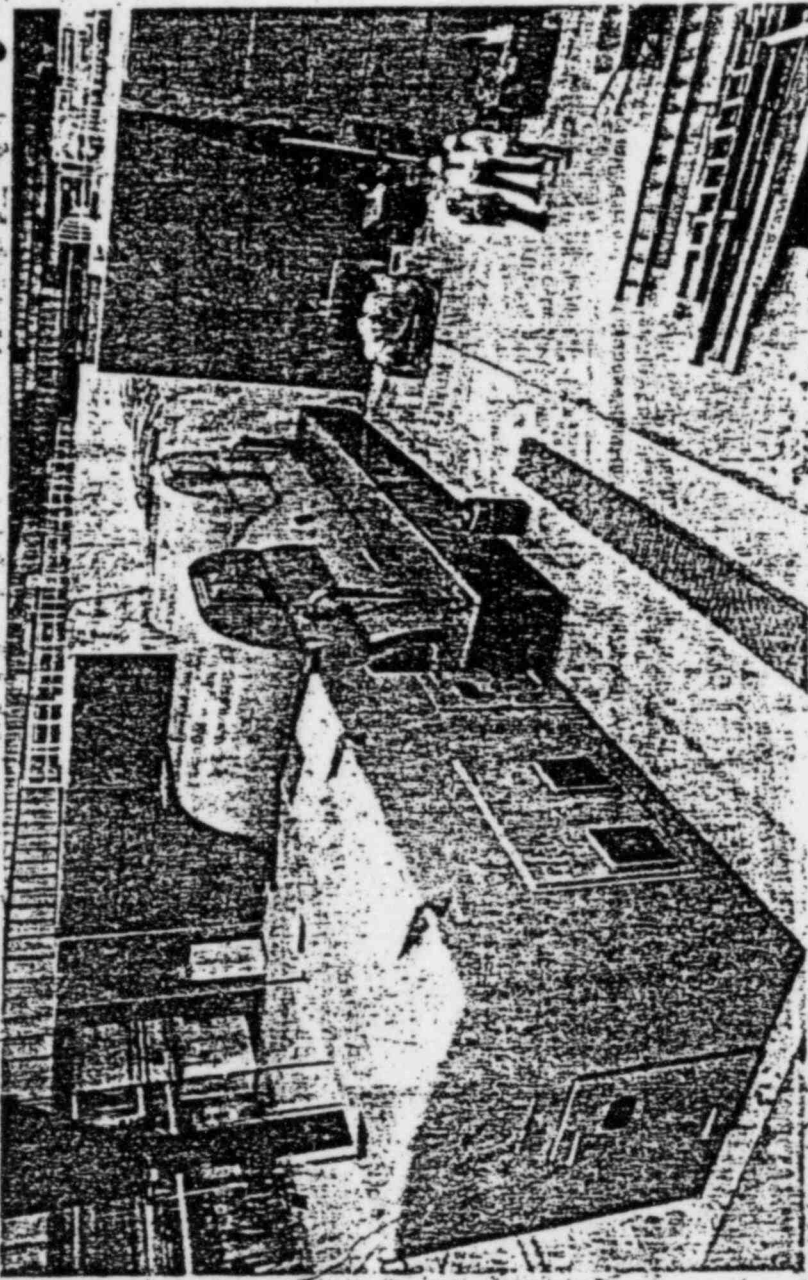
Danielle Seitz, utilities analyst for Smith Barney Harris Upham, said \$1 billion "would be a very severe penalty." But she said "there must be a compromise somewhere," although "it will have to be reached very fast since LILCO does not have time on its side."

Many of the points made in the consumer board audit were mirrored by Arthur D. Little, although the firm's conclusions were dramatically different. The Little study said LILCO was aware as early as 1973 that the project "was falling seriously behind schedule."

By 1976, LILCO was aware that engineering by Stone & Webster, which designed and helped manage the project, "was tardy and incomplete," the study said. In fact, late engineering and equipment caused delays, the study indicated. The consulting firm noted the serious labor problems and said "discriminations mounted" between LILCO and Stone & Webster as the problems worsened.

The 104-page study then concluded: "Nothing in this report suggests to the management of LILCO that there is anything major wrong with the Shoreham project. . . . LILCO's decisions and related management processes were prudent under the circumstances that prevailed at the time." The firm said myriad regulatory changes added enormous costs in backfitting a plant under construction.

Kessel called that conclusion "ridiculous" based on the evidence and said his agency "may use some of the (A.D. Little) findings to bolster our case."



Steam-driven electrical generator at Shoreham

Norand / Oversee Associates

LILCO's current problems, meanwhile, continue. Nuclear Regulatory Commission officials yesterday said that a bearing on a turbocharger was found damaged on one of the diesels, necessitating perhaps a week of repairs. In the past week, the other two diesels' turbochargers — which inject compressed air into the engines to boost power — were also found damaged. LILCO faces a two-year delay if the problem-plagued units cannot be fixed.

LILCO stock dropped to \$8.62 at one point yesterday before recovering slightly. The volume was nearly 1.4 million shares, seven times the average daily sales last summer, according to Mark Lutfig, vice president of the Salomon Brothers investment firm. Analysts say the stock is principally being bought by speculators now. LILCO's previous low was \$9.62 in September, 1974. The stock sold for \$30 a share in 1969 and \$17.87 a year ago.

"It's no coincidence that LILCO is \$8.87 and Public Service of Indiana (which cut its dividend by 75 per cent last month) is selling for \$8.50," Lutfig said. "Public Service of Indiana cut its dividend to \$1 a share. That's what I expect LILCO to do. The stock price is saying, 'We're looking at \$1 a share.' He said LILCO cuts its dividend entirely the stock will drop to about \$6 a share. In an effort to conserve cash, LILCO has considered stopping payments for the unfinished Nine Mile Point 2 reactor near Oswego. LILCO owns 18 per cent of the \$4.2-billion plant and owes \$180 million this year. LILCO's next payment of \$10 million is due in the next day or so, said Gary Davis, a spokesman for Central Hudson Electric & Gas, one of the four other utilities on the project.

Today's Paper:
THREE SECTIONS
Section One

SUFFOLK LIFE

Suffolk Life Newspapers USPS #098-200 is Published Weekly by Suffolk Life Newspapers, Montauk Hwy., Westhampton, N.Y. 11977 • Controlled Circulation • Postage Paid at Riverhead, N.Y. 11901 • Postmaster: Send Address Changes to Suffolk Life Newspapers, Montauk Hwy., Westhampton, N.Y. 11977 • Twenty-Five Cents • Vol. 23 No. 25

NEWSPAPERS

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LILCO hovering on the brink

PSC staff report urges \$1.5 billion penalty

By LOU GRASSO

A long term, exhaustive investigation by the staff of the Public Service Commission into the management, by Long Island Lighting Company officials, of the Shoreham Nuclear Power Plant determined that the utility and its stockholders should absorb no less than \$1.5 billion of the plant's final cost, and possibly much more.

The findings, released in a PSC staff report last Friday, went far beyond the penalty figures which have been rumored for the past several months. If the figures hold, it could bring bankruptcy for LILCO.

The actual amount that LILCO, rather than the ratepayers would have to shoulder, could be far greater. The \$1.5 billion figure is based on LILCO's latest total cost estimate of

\$3,846,271 which is included in its recent rate increase request. Since that figure has been released, however, the clock is still ticking and costs continue to mount. New problems with the plant's diesel generators, a key safety item in the event of a mishap, threaten to delay the plant's operation. If it is not abandoned first, far beyond the January 1985 date predicted by LILCO. Cost predictions for that possibility exceed \$4 billion and extend as high as \$5 billion.

The PSC staff report emphasizes "that the total Shoreham costs, for which ratepayers would be responsible, should be limited to about \$2.3 billion, even if the plant is delayed further. That cap would put all costs above the \$2.3 billion on the shoulders of LILCO and its stockholders.

The PSC staff investigation found that LILCO's management of the Shoreham project was flawed from the very beginning, and never really improved. "LILCO's management of the Shoreham project was flawed in the initial stages and, although realigned several times during the course of the project, has seen little or no improvement. Capabilities



MAKING HIS DEBUT as the new chairman of the board of the Long Island Lighting Company, William J. Catacosinos, met members of the press last week. Catacosinos said the utility will consider many available options regarding the Shoreham nuclear plant - including abandonment. (See story inside) Photo by Bob Chertuk

LILCO hovering on the brink...

cont. from cover

have not evolved. The confusion of roles and inability to effectively align resources has persisted throughout. The deficiencies have remained," the report declares.

In unusually strong terms, the report declares: "LILCO's management has failed to address adequately the management responsibilities entrusted by its shareholders, ratepayers and regulators. LILCO's management actions in aggregate have been deficient and unreasonable. The project management organization, inconsistently supported by top management and the Board of Directors, has afforded inadequate leadership to the project team. This deficiency not only allowed, but caused significant inadequacies in the performance of engineering and construction of the Shoreham project."

The engineering firm of Stone and Webster, prime contractors on the plant, also came under fire in the report. "The contributions of Stone and Webster and architect-engineer and construction manager were deficient, both within the scope of the work under its internal control, and as a result of improper management by LILCO."

"LILCO's actions in the area of construction management came under close scrutiny and were strongly criticized in the report: "LILCO, as the owner of the Shoreham project, ultimately is responsible for major shortcomings in construction management. In each instance stated below, LILCO is responsible for unreasonable management either by causing a particular problem or by not taking corrective steps to resolve it. All of these problems individually and collectively contributed to the significant cost overruns and schedule slippages experienced at Shoreham."

The report noted that "labor productivity was very low because of inadequate supervision of craft workers, poor planning and a lack of management support."

And: "problems with craft labor included late starts, early quits, alcohol abuse and protracted coffee breaks. These problems were identified early in the project but were never effectively resolved. This contributed to low craft productivity and was estimated conservatively to cost LILCO over \$35,000 per day."

The many problems of

alcohol and drug abuse at the plant were legion during the past few years, but were constantly denied by both utility and union officials. Whenever the subject was brought up to one union official who was a very active lobbyist on behalf of Shoreham, he would retort: "Oh that is just something the media is trying to stir up. The problems are no greater than at any other job of this type."

Frequent reports have been flowing into this newspaper in past years about the "liquid lunches" enjoyed by Shoreham workers at local restaurants, and of "hard liquor and beer being smuggled into the plant" by returning workers. But beyond acknowledging a few corrective actions, LILCO and union officials repeatedly insisted no such problem existed.

The PSC report also cited LILCO for the lack of an effective reporting system for Shoreham, the lack of an effective cost control group at the plant, and serious flaws in proper planning and scheduling of work. "LILCO's long term planning produced unrealistic schedules. It is not surprising that the day-to-day plans, based on these unrealistic schedules, produced inadequate results, including low labor productivity. LILCO's inadequate planning of detailed work led to interferences among crafts, inefficiencies and congestion problems so severe that they sometimes prevented crews from working at all."

Two key criticisms contained in the report target on LILCO's actions involving the troubled diesel generators (see

details in separate story in this issue), and in the area of quality control. In regards to the quality programs, the report noted, "There were several instances of deficient and unreasonable management practices on the part of LILCO. Of these inadequacies... the most serious was LILCO's procrastination in accomplishing the stress reconciliation program. This delayed completion of the Shoreham project in preparation for fuel load."

The report continues: "The staff found other deficient and unreasonable management practices which contributed to inefficiency in completing Shoreham."

"LILCO's inadequate response to the construction deficiencies identified as a result of the Torrey Pines Technology review of Shoreham construction practices."

Torrey Pines, a consulting firm, was hired by LILCO in an effort to prove the plant was safely built. After reviewing construction procedures on just one per cent of the plant, that review cited a number of defects that were estimated to cost approximately \$1 million to repair. LILCO has constantly utilized the Torrey Pines finding that the plant was constructed in a reasonable and safe manner as proof that fears about the plant's operation were groundless.

The PSC staff report also cited "...inadequacies with the quality management audit program implemented by LILCO... inadequacies in organizing and staffing the LILCO quality function... LILCO's failure to take timely corrective actions to resolve and prevent the recurrence of chronic quality problems."

These findings, and a host of others contained in the PSC report, were developed through an "unprecedented examination of LILCO's books and records pursuant to the Commission's authority under the Public Service Law."

"The Shoreham Task Force conducted a thorough on site investigation of LILCO at its various offices in Hicksville, Mineola and at the Shoreham site. The files of 66 departments and offices were reviewed for Shoreham related information. The Task Force also examined personal files of 58 managers, including the chairman of the board and president of LILCO. This intensive examination of LILCO lasted for four months and a smaller work force continued this effort on an as needed basis." Some 10,000 documents were studied in this examination, the report notes.

Originally, the PSC staff and LILCO had reached agreement on the procedures for discovery of information. But following that agreement, which required LILCO to respond to requests for information within 1 week, "LILCO began to miss this commitment. By the beginning of May 1983, it became clear that the staff in-

vestigation was being seriously impaired by LILCO's failure to abide by discovery procedures." It was the result of that problem that forced the PSC staff to take their investigation into the LILCO offices.

The staff report, however, is not the final word in this matter, and does not reflect the views of the PSC commissioners who have come under fire repeatedly for representing the interests of the utility rather than the public.

LILCO is scheduled to file its rebuttal to these findings on April 2, and hearings will commence May 15 in New York City by the PSC commissioners, who will make the final decision.

Put \$ blame on LILCO chiefs

By MICHAEL HANRAHAN

The management of the Long Island Lighting Co. failed to adequately supervise the construction of the Shoreham nuclear plant and should be held accountable for at least half the cost of the now \$4 billion project, a report by Suffolk County consultants contends.

The findings are the work of a team of analysts employed by Suffolk County to work in conjunction with the Consumer Protection Board and a citizens' organization.

The analysts contend that LILCO's stockholders should be held liable for those cost increases, which the analysis concluded came as a result of LILCO's "lack of adequate supervision of the project."

The report by the county's consultants is one of two major presentations to be considered by the members of the Public Service Commission when hearings open Friday to determine the prudence of LILCO's actions and responsibility in building the Shoreham nuclear plant.

The second is a presentation by the staff investigators of the PSC.

The county's report, prepared at a cost of \$450,000

and five months in the making, is already somewhat outdated. The cost of the project has continued to escalate beyond the assumptions of the analysts in computing what portion of the project LILCO should be held accountable for.

The county's analysts used a completed cost estimate of \$3.2 billion. They declared just \$1.9 billion of that amount was justified. The utility now projects the final cost to be near \$4 billion, but the report does not state what if any of the latest projected rise should be attributed to LILCO's alleged mismanagement of the project.

Deputy County Executive Frank Jones said yesterday that all of the additional costs should be borne by LILCO and its stockholders. According to Jones, the county's analysts reached their \$1.9 justifiable cost decision by "analyzing the costs of 100 other nuclear projects and building up. They did not take LILCO's costs and determine what should have been paid."

He contended the cost analysis was based on all of the factors in building a plant on Long Island, including wage scales and availability of raw materials.

The PSC staff report has yet to be published. However, Gov. Cuomo on Thursday in an interview with editors and reporters of The Daily News said

that he did not think it was the state's responsibility to bail out the Long Island Lighting Co. and that he thought the company's stockholders would have to absorb at least \$500 million of the cost of building the now completed, but yet unlicensed plant at Shoreham.

Several nuclear projects around the country have been abandoned due to skyrocketing cost increases, but Shoreham is the most costly ever completed, according to the county analysis.

Jones said the analysts found that in the early stages of the project, LILCO's top management was warned that the situation "was out of control."

He said, "LILCO's management should have discontinued the project long ago, but they failed to heed the advice of their own middle management. Then when they decided to supervise the project themselves, it was too late. They were never in control. And they failed to give their own managers the proper support staff to get the job done properly."

The prudence hearings are expected to last several weeks, after which the PSC is expected to determine how much the utility is liable for the cost over-runs on the project and how much of the cost must be added to consumers' electric bills.

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LILCO Requests 6-Month Delay In Hearings on Mismanagement

P.3
newsday
3/27/84

By Rick Brat

Claiming its survival is at stake, Long Island Lighting Co. has asked the Public Service Commission to put off for six months the hearings on whether the utility mismanaged the Shoreham nuclear plant's construction and should be penalized more than \$1.55 billion.

In a motion filed with the PSC, and opposed by a PSC staff lawyer, he utility asserts it needs more time because its \$100-million austerity program has had a "debilitating influence" on its ability to prepare testimony which has become larger in scope than originally estimated.

Another reason LILCO gave in requesting the delay is that witnesses needed in the hearings will be required to testify before the Nuclear Regulatory Commission in May or June on Shoreham's problem-plagued diesel generators.

In asking for a delay in its deadline to file rebuttal testimony from April 2 to Oct. 1 and for hearings to start Nov. 5

instead of May 15, the company contended, "it is possible that the continued existence of the company in its present form may be affected by this proceeding."

The proceeding is aimed at determining what, if any, of LILCO's costs in building Shoreham should be disallowed in future rates because of mismanagement of the project.

Last month, the PSC staff said that LILCO's customers should not be charged for \$1.65 billion of the plant's cost, then estimated at \$3.8 billion, and that any costs above that should be borne by the utility's stockholders. The plant's estimated cost has risen since then to \$4.1 billion.

Critics immediately assailed LILCO's proposal, claiming that the utility wanted a delay so it can lobby with officials in Washington to get permission to start the plant at low power.

"It's a big stall game," said Richard Eased, executive director of the State Consumer Protection Board. "There should be no more delay. The company

has to come clean. . . . They just want to take the six months to drum up support around the country for opening their plant."

Robert Simpson, the PSC staff attorney in charge of the case, said he will also oppose the motion, claiming LILCO has not proved the need for a delay. Administrative Law Judge William C. Levy ordered a March 29 conference to discuss the motion.

In a related matter, LILCO was ordered to provide details of its austerity plan by April 9 in the ongoing hearings for its 21 per cent rate increase.

Frank Robinson, the administrative judge in that case, ordered a more detailed disclosure by LILCO after refusing two motions, one by the state Consumer Protection Board to suspend the hearings until the information was made available and another by the PSC counsel to delay for 30 days the Sept. 30 date of a final rate decision.

Robb argued that going ahead without information in the austerity program

would hinder their ability to present their case. Robinson, who conceded he was under instructions from the PSC's chief administrative judge not to extend the schedule, promised that additional testimony may be filed and hearings held when more details of the austerity plan are available.

LILCO has revealed, however, that the company's Shoreham emergency plan lists 93 to 123 of its workers because of the layoffs in the austerity plan.

The disclosure was made by LILCO attorney Donald Lewis in a letter to Suffolk County as part of the discovery process in the NRC emergency planning hearings. Lewis stated that those laid off include 68 management employees and between 35 to 70 union workers. Karla Ledesma, an attorney for Suffolk, which opposes the plant's operation, said it layoffs leave "a big hole" in the LILCO plan. Lewis could not identify the exact number of those laid employees because the selections of those to be terminated are based on seniority have not been completed.

Ask delay in N-plant probe

By MICHAEL HANBAHAN

The Long Island Lighting Co. has asked for a delay in the start of the crucial "prudency hearings" at which the Public Service Commission is expected to make a determination whether and to what extent the utility "mismanaged" construction of the \$4 billion Shoreham nuclear generating plant.

The hearings are expected to determine how much of the total cost is to be charged to the utility's stockholders, as opposed to the customers.

The "prudency hearings," which

have been in the preparatory stage for the past two years, had been scheduled to begin May 15. LILCO is seeking a delay of up to six additional months.

Ira Freilicher, LILCO's vice president for public affairs, said a motion was filed with the commission requesting the delay to give the utility more time to respond to the allegations contained in a report prepared by the PSC's own staff.

"We need the time, due to the extent of the staff's testimony and the necessity to put together a rebuttal," Freilicher said.

He said that a hearing is to be

conducted on the utility's motion for the postponement on Thursday.

The staff report, issued on Feb. 10, alleged that the lighting company "grossly mismanaged" the Shoreham project and called upon LILCO to absorb up to \$1.55 billion of the \$4 billion tab for the plant.

The highly critical report concluded that LILCO had wasted more than 10 million man-hours on the project, had lost control of the management of the construction, and knew at least eight years before the costly breakdown of the diesel that there were problems with similar units at other sites.

Daily news 3/27/84. MS 1

ATTACHMENT 10

Newsday 2/8/84 - "U.S.: LILCO Still Lacks Nuclear Experts"

Newsday 2/5/84 - "Panel Urges LILCO Absorb \$2 Billion of Shoreham
Cost"

Suffolk Life 2/8/84 - "\$2 Billion in Mismanagement"

Daily News 2/3/84 - "Sez Shoreham's washed up"

U.S.: LILCO Still Lacks Nuclear Experts

By Stuart Diamond

Newsday Environment Writer

Federal officials say that LILCO has made little headway in fulfilling its promise to hire experienced nuclear personnel to run the Shoreham nuclear plant — employees a top federal official says must be hired for the facility to get an operating license.

Five months ago, after criticism by the Nuclear Regulatory Commission, Long Island Lighting Co. said that it would hire a deputy vice president and reactor operators with more experience in running a nuclear plant.

Company officials would not comment, but a company source said the utility was having trouble finding those people, both because of a nationwide shortage of qualified nuclear personnel and because of uncertainty over whether the plant will open.

As a result, according to Harold Denton, head of reactor regulation for the U.S. Nuclear Regulatory commission, "experience both at the managerial and operator level . . . will probably become a licensing condition" for the Shoreham plant.

In his strongest public comments to date, Denton said in an interview Friday that LILCO nuclear vice president Milford Pollock, a former fossil fuel manager with no experience running a commercial reactor, is "unacceptable." He noted that virtually none of LILCO's operators has much experience running a commercial reactor, while the NRC wants at least six — one for each shift — to have several years' experience. NRC officials said LILCO's lack of experience is among the most serious — if not the most serious — in the industry.

LILCO last fall advertised for operators with at

least three years' experience running reactors similar to Shoreham's. But the utility was able to hire few, if any, operators who met NRC desires, sources said.

One reason cited is a national shortage of qualified reactor personnel. The Institute for Nuclear Power Operations, an industry group, says that as of last March there were 241 unfilled operating, supervisory and technical advisory positions at U.S. nuclear power plants. Industry sources say the shortage has worsened since

then and that some utilities are "pirating" experienced personnel by offering higher pay and other enticements.

LILCO officials generally had no comment and a spokeswoman said Pollock declined to comment. Last week, LILCO chief executive Charles Pierce was replaced by LILCO director William Catacosinos amid board of directors' dissatisfaction with the handling of Shoreham. At the time, LILCO officials said there were no plans for other immediate top management changes.

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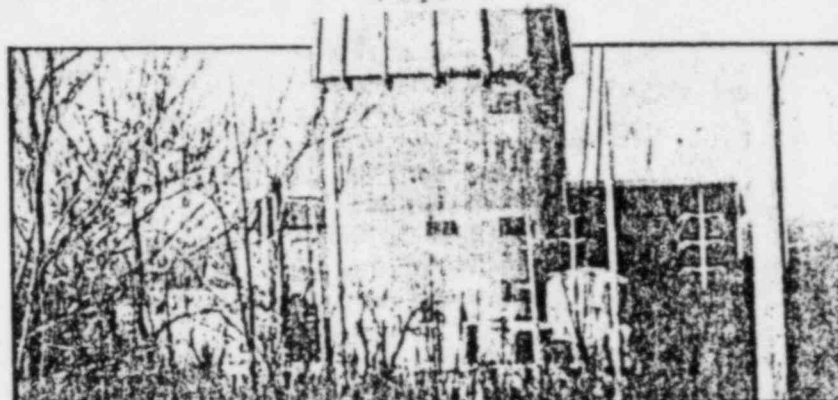
Panel Urges LILCO Absorb \$2 Billion of Shoreham Cost

By Stuart Diamond
Newsday Environment Writer

A detailed audit commissioned by state and local officials has recommended that Long Island Lighting Co. should absorb at least \$2 billion of the Shoreham nuclear power plant's construction cost as a penalty for mismanaging the project.

The audit, financed largely by the state Consumer Protection Board and Shoreham opponent Suffolk County, said customers should pay no more than \$1.9 billion for the plant, which LILCO says will cost at least \$3.9 billion and perhaps \$5 billion. That means the utility's investors could face a \$2 billion to \$3.1 billion loss on the plant. Even with a \$1 billion loss, state experts have said, LILCO could go bankrupt.

The \$450,000, five-month audit is part of testimony due Feb. 10 to the state Public Service Commission. It was obtained by Newsday late Friday, when it was submitted to the PSC by Suffolk. It is the first of two major studies that are to form the case against LILCO in upcoming hearings on the utility's management of Shoreham, which is completed but unlicensed. The second study, considered more important, is a four-year effort by the PSO staff. That



How Shoreham Compares

Cost per kilowatt in constant 1980 dollars of Shoreham power vs. mean cost of plants

Shoreham*	\$2,332
Single-unit reactors operating after 1979	1,350
Plants with same design	1,227
Plants under construction	1,081
Reactors in the Northeast	982
Plants with same architect and engineer	933
100 nuclear reactors studied	830
Plants ordered in same year	655

* Based on \$3.2 billion cost for Shoreham.

SOURCE: State Consumer Protection Commission.

consequences," the audit says. Shoreham is the most costly commercial reactor ever — \$2,332 per kilowatt of electrical capacity in 1980 dollars, the study says. That is more than twice the average of comparable reactors and 23 per cent more than the second most costly plant, the unfinished Nine Mile 2 in upstate New York, the study said.

Among the audit's major findings:

- LILCO failed to prepare for regulations ordering hardware changes and so did not make them quickly or cheaply, despite warnings as early as 1968 — five years before construction started.

- LILCO relied almost solely on Stone & Webster to handle regulatory changes, although LILCO "did not trust" Stone & Webster. LILCO's Shoreham project manager warned his superiors of concerns about Stone & Webster in 1974 and 1975, but LILCO made no major changes in the size of its licensing staff until 1980.

- LILCO considered S&W's performance as construction manager "grossly deficient" and replaced the firm with the utility's own team in 1977. But the Shoreham project manager expressed concerns as early as 1974.

- LILCO did not adequately correct

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report has not yet been released.

"The history of Shoreham is a textbook case of mismanagement," said the consultants who prepared the audit. Using charts and references to internal LILCO documents, the audit says LILCO failed to solve numerous problems under its control since the early days of the project. Those problems include poor labor productivity, inadequate cost control by its architect-engineer and insufficient attention to impending design changes from new regulations.

A final decision on penalties — the amount of Shoreham's cost that LILCO cannot collect from customers — is to be made by the PSC. Until now, Wall Street analysts have put the most likely penalties at \$500 million to \$1 billion. Gov. Mario Cuomo on Friday echoed those figures — although he has no direct role in the audits.

LILCO public affairs vice president Ira Freilicher said yesterday the company has "no comment at this time."

LILCO has contended it did not mismanage construction and that the huge cost overruns were due to factors outside its control, such as inflation and regulatory changes.

The audit, part of which was filed by Long Island Citizens in Action, is the position of groups critical of Shoreham. But the audit itself was done by three consultants who reviewed thousands of pages of internal documents provided to

the state by LILCO and its architect-engineer, Stone & Webster. The study also compares Shoreham's costs to those of 100 other U.S. reactors.

One consultant, Robert J. Allio, has been a senior manager for the Atomic Energy Commission, dean of the management school at Rensselaer Polytechnic Institute and director of planning for Babcock & Wilcox, a reactor manufacturer. Another, Paul C. Rizzo, heads a 450-member consulting firm, helped

manage construction of 100 nuclear power plants in 25 nations and advised the U.S. Nuclear Regulatory Commission and International Atomic Energy Agency. The third, Rudolph L. Bertschi, is an analyst for the Alaska Public Utilities Commission who has done engineering studies on nuclear plant construction.

All three concurred in the recommendation on LILCO penalties.

"The price of the plant — unprecedented in the industry — speaks for the

low labor productivity.

- Schedules were "consistently inaccurate, unreliable and virtually useless" for planning and cost control. As a result, LILCO management failed to respond to problems until it was too late.

- An analysis of minutes of board of directors meetings "reveals a striking lack of attention to Shoreham during much of . . . its planning and construction." The board failed to add members experienced in nuclear projects, although Shoreham now comprises more than half of LILCO's assets.

\$2 Billion In Mismanagement

The State Consumer Protection Board and Suffolk County have released a report on an investigation into the imprudence of LILCO's management at the Shoreham Nuclear Power Plant. It is devastating for the corporation for it charges that the mismanagement of LILCO was responsible for over \$2 billion in improper decisions related to this construction project.

The report was not the work of outside agitators, or bumbling state bureaucrats. It was the conclusion of a heavy-weight three-man panel comprised of Robert J. Aillo, a former senior manager for the Atomic Energy Commission, dean of management school at Rensselaer Polytechnic Institute, and director of planning for a

cont. on page 4.

Wednesday, February 8, 1995

SUFFOLK LIFE NEWSPAPER

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LAPPEL 1964-2000

SUFFOLK LIFE

Offices and Plant Located on Westcott Highway, Wrenthampton 225-2000 Classified Ads 225-2000

1. The encryption system and version in use are:

210 (30) *Occupation Weekly*[illegible]

Suffolk Life is an Official Newspaper of: Town of Southwesterly; Town of Idaho; Surrogate Court, County of Suffolk; Rocky Point School District; Patchogue-Bohannon School District, Suffolk County Life published weekly each Wednesday, is an Official Newspaper of: Town of Idaho; Town of Riverhead; Town of Westhampton, Village of Port Jefferson.

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Subscription Rate in Suffolk County \$4.99 per year Outside Suffolk County \$47.00 per year Newsstand single copy sales 25¢ per issue Suffolk County Life in Suffolk County \$4.99 per year outside Suffolk County \$7.99 per year newsstand single copy sales 25¢ per issue

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LETTERS TO THE EDITOR We encourage our readers to express their views regardless of opinion through the Letters to the Editor Column. All letters must be signed with author's signature and address. We will withhold names on request and assign a nom

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And Why Not:

\$2 Billion In Mismanagement...

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reactor manufacturer; Paul C. Rizzo who, as head of a consulting firm, helped manage construction of some 100 nuclear plants throughout the world, and advised the NRC and an international nuclear agency. The third panel member was Rudolph L. Bertsch, who is an analyst for the Alaska Public Utilities and has done engineering work on nuclear plant projects.

The recommendations, on which all three agreed, could well mean the end of LILCO as a corporation.

During the hearings held by Governor Mario Cuomo's Shoreham Commission, it had been concluded that the maximum the corporation could withstand in imprudent charges was between \$100,000,000 and \$500,000,000, anything above that spelled a financial death to the corporation.

Under Public Service Law, a facility cannot be worked into the rate base unless it is "used and useful." If it is used and useful, only the costs that were prudent and necessary can be worked into the rate base. All imprudent charges must be absorbed by the corporation, its stockholders and bond holders and its creditors. Just as with any other business, if LILCO's liabilities, which imprudent charges are, total more than the value of its assets, the business cannot continue to operate financially. Its base to borrow is diminished, its credit lines shut off, the value of the stock is reduced to its ratio of assets to liabilities, or how the investors perceive it.

The Public Service Commission, independently of the State Consumer Protection Board, is in the process of concluding its own imprudence investigation. The Public Service Commission has been known to be a friend of the industry, always giving

the benefit of the doubt to the utilities, holding its explicit trust to the investors up and over their obligations to the ratepayers. The Public Service Commission, almost reluctantly, is expected to issue a report charging somewhere between a half billion and one billion dollars in imprudence. Either way, the picture is not bright for LILCO's continuance.

Even if by some miracle they were able to overcome the imprudence charges, they would still be very hard pressed to find the mechanism to open Shoreham over the opposition of both the county and the state, which is based upon the government's inability to guarantee the safe evacuation of all the people in case of a major accident.

Without being able to open the plant, the state laws preclude charging the ratepayers for the construction of this project due to the used and useful principle of law. The Public Service Commission over the past two decades has not upheld this principle. But the Attorney General's office is on record as recognizing these principles of law as valid, and has pledged to take legal action against the Public Service Commission and LILCO should they attempt to burden the ratepayers with illegal rate increases to pay for an abandoned Shoreham.

Shoreham was a mistake created by its management and authorized by its stockholders. Shoreham is a mistake that must be paid for by the management of the corporation and the stockholders who encouraged this development, benefited from its cost and intended to benefit from its operation.

The ratepayers did not have a vote and would never share in its profits, thus they should not be held responsible for financing its liabilities.

And why not?

Sez Shoreham's washed up

Cuomo on nuke plant: Let LILCO take a bath

By MARCIA KRAMER
and DON SINGLETON
With Michael Hanrahan

Gov. Cuomo said yesterday that he doubts that the Long Island Lighting Co. ever will be able to start up its controversial Shoreham nuclear generating plant. He suggested that LILCO's shareholders "will have to eat part of the cost, about \$500 million."

Cuomo said that he sees no reason for the state to bail LILCO out of its Shoreham losses.

"Let them take a bath. They're a private corporation," he said, adding that, in his opinion, the Shoreham plant "was built by inferior mechanics with the worst managers."

"What makes you think it (the Shoreham plant) would work for more than a week?" he said.

IN AN INTERVIEW with Daily News editors and reporters, Cuomo said he does not believe that LILCO's inability to start up Shoreham would be a "tragedy" for Long Island or the state.

"We don't need the power. I'm not concerned about losing the power," he said, explaining that the purchase of low-cost hydroelectricity from Canada will offset the generating losses that might have come from Shoreham.

Cuomo said that what needs to be done is to find a way to keep the rates

down so that Long Island consumers do not have to pay the whole cost of Shoreham, which has cost LILCO close to \$4 billion in construction costs to date.

He offered no specific suggestions on easing the burden for Long Island consumers, however.

THE GOVERNOR said that within six weeks he plans to meet with the Legislature to work out an "energy agenda" which will include some plan to phase in higher electricity rates for Long Island consumers and import hydropower for the metropolitan area from Quebec via a new transmission line through Marcy, N.Y.

LILCO says that Shoreham is virtually completed. Its scheduled low-level tests had to be postponed due to the breakdown of three backup diesel generators several months ago. The tests now are scheduled for April.



MICHAEL LIPACK / DAILY NEWS

Gov. Mario Cuomo at yesterday's press conference.

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ATTACHMENT 11

Newsday 2/24/84 - "LILCO's Business Is the Public's Business Too"

LILCO's Business Is the Public's Business Too

Despite all the difficulties and negative publicity the Long Island Lighting Co. has encountered with its Shoreham nuclear power plant, until recently company officials have always been quite forthcoming in disclosing and explaining LILCO's various problems. But that policy of relative open-

ness has changed since William Catacosinos took over as board chairman last month. With one exception — a Catacosinos press conference on Feb. 8 — "no comment" has become LILCO's reply to questions ranging from the complex to the mundane.

The company has made no public an-

nouncements of incidents that are reportable to the Nuclear Regulatory Commission, such as further trouble with Shoreham's backup diesel generators. The public has learned what LILCO wants in the way of rate relief, emergency planning and fuel loading only through accounts by state officials and other participants in meetings with Catacosinos.

Yet everyone who relies on LILCO's services has a stake in the utility's finances and the safety and reliability of Shoreham. Like it or not, LILCO's affairs are their affairs.

LILCO's current uncommunicative policy could undermine the credibility it needs to convince the NRC and the public that it's capable of managing its own emergency plan for Shoreham. Silence and deception by the utility that operates the Three Mile Island nuclear reactor contributed greatly to the public fear, confusion and overreaction that followed the accident there.

The commission that investigated Three Mile Island severely criticized the lack of reliable information from the company. That criticism became the basis for new NRC rules governing emergency planning — rules that emphasize credible, reliable and prompt public information.

Catacosinos isn't helping LILCO by trying to keep the public in the dark about the company and Shoreham.