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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) )

DOCKETED  
USNR  
84 DEC 76  
Docket No. 50-322-04-3  
(Emergency Planning)

SUFFOLK COUNTY AND STATE OF NEW YORK  
SUBMISSION PURSUANT TO McGUIRE DECISION

Pursuant to the McGuire decision (Duke Power Company  
(McGuire Nuclear Station, Units 1 and 2), ALAB-143, 6 AEC 623,  
625 (1973)),<sup>1/</sup> Suffolk County and the State of New York hereby  
inform the Board of new information which is relevant and  
material to the adjudication of LILCO's offsite emergency plan,  
and which has potential safety significance.<sup>2/</sup>

On October 23, 1984, it was reported in Newsday that LILCO,  
which had "laid off more than 600 workers in a stringent aus-  
terity program last spring," had "lost another 250 employees  
. . . for better paying jobs elsewhere . . ." A copy of the  
October 23 Newsday article is appended as Attachment A. That  
article did not identify how many of the additional 250 "key  
personnel" had been relied upon by LILCO as members of LERO.

<sup>1/</sup> See also Georgia Power Company (Vogtle Nuclear Plant, Units 1  
and 2), ALAB-291, 2 NRC 404, 411-12 (1975).

<sup>2/</sup> This submission is being made by Suffolk County and New York  
State because, to date, neither LILCO nor the NRC Staff has  
brought the information discussed herein to the Board's  
attention.

However, according to LILCO documents quoted by the article, LILCO's austerity program has "caused considerable hardship," with "many . . . management employees, primarily highly skilled employees who were key to . . . daily operations . . . in critical areas [leaving] in favor of higher paying positions elsewhere." This information is relevant in light of evidence previously presented to the Board which indicates that many LILCO employees originally designated as members of LERO, particularly those in important supervisory and coordinator roles, had management positions with LILCO. See, e.g., SC Ex. 61 (as of March 6, 1984, of the approximately 1,800 members of LERO, approximately 600 were LILCO management employees); and see, generally, LILCO Plan, OPIP 2.1.1, Att. 2 (listing representative titles of LILCO employees designated to fill LERO positions).

In addition, on November 8, 1984, the Daily News reported that LILCO faced a "massive defection of employees" from LERO. According to the Daily News article (a copy of which is appended hereto as Attachment B), "more than 400 [LILCO] workers have withdrawn from LERO since the end of the bitter LILCO strike in August." (Emphasis added). This is significant new information because the evidence pertaining to "attrition" and strike-related or other losses of LERO personnel was presented to the Board prior to the availability of such data. See, e.g., SC Ex. 61; Tr. 13,288-90 (Cosgrove). See also Testimony of Deputy Inspector Peter F. Cosgrove, Lt. John L. Fakler and Professor Michael

Lipsky in Support of Emergency Planning Contentions 39, 40, 41, 44, 98, 99 and 100 -- Training of Offsite Emergency Response Workers, at 78-91.<sup>3/</sup>

Further, LILCO's Chairman of the Board was reported to have stated that, in an attempt to bolster the number of LERO workers to have "at least 30% more employees available for LERO than the 1,700 active participants required by the plan to carry out the necessary 'off-site public evacuation procedures,'" LILCO had decided to offer employees \$500 to join, or stay in, LERO. November 8 Daily News article (emphasis added). A November 9 article in Newsday (a copy of which is appended as Attachment D), reported that LILCO's \$500 bonus offer was being made in the wake of "the loss of more than 200 [LERO] volunteers" since last summer's strike. (Emphasis added). In addition, another Daily News article (dated November 11, 1984 and appended hereto as Attachment E) reported that many LILCO employees have been resigning from LERO since the strike "as a means of showing their unhappiness with [LILCO] and the treatment of long-term workers during and after the employee walkout."

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<sup>3/</sup> After the record in this proceeding had been closed, in a letter dated September 7, 1984 (copy appended as Attachment C), counsel for LILCO disclosed that during the LILCO strike (July 10 until August 14), a total of 106 union workers had resigned from LERO. Although this letter is not in evidence, this number of strike-related losses, in light of reported subsequent events, is apparently a substantial understatement.

The foregoing new information is relevant to issues previously discussed before the Board, particularly those relating to Contentions 24.S, 39-41, 44 and 98-100 (Training), 25 (Role Conflict), and the strike issues. We bring the following specific matters (which are intended to be illustrative, rather than all-inclusive) to the Board's attention:

(1) LILCO's statements that (a) only 166 LILCO employees left LERO between March 6 and May 30, 1984; (b) replacements were selected and trained for 124 of these 166 employees (see LILCO's Proposed Findings of Fact and Conclusions of Law on Offsite Emergency Planning (hereinafter, "LILCO's Proposed Findings"), at 121); and (c) as of June 1984, LERO had only 42 vacancies (see LILCO's Reply Findings on Offsite Emergency Planning (hereinafter, "LILCO's Reply Findings"), at 123) appear to have been rendered inaccurate, or irrelevant, by the subsequent reported additional 200 to 400 resignations;

(2) LILCO's statement that LERO positions are over-staffed (LILCO's Proposed Findings, at 120; LILCO's Reply Findings, at 124) is apparently not true;

(3) LILCO's statement that LILCO is committed to maintaining LERO staffing at 150% (LILCO's Proposed Findings, at 120; LILCO's Reply Findings, at 124) appears to have been contradicted by the reported statement by LILCO's Board Chairman concerning LILCO's desire to overstaff at only a 30% level;

(4) LILCO's statement that "[a]t the time of the hearing [December 1983] only 73 of 1585 LILCO emergency workers lived in the 10-mile EPZ and therefore might be expected to have families at risk . . . . Even if some of them did not show up for work, there is a surplus of workers that could be drawn on" (LILCO's Proposed Findings, at 35 [citations omitted]), may no longer be accurate.

The County and State submit that in light of this new information, the above-referenced LILCO proposed findings should be rejected, and the Board should require LILCO to provide all pertinent, updated data on the subject of the current actual composition of LERO, the projected future composition of LERO and how LILCO intends to achieve such composition, for review and appropriate further action by the Board and the parties. When such data are received, the Board and parties may appropriately consider what action(s) may be necessary in view of the data.

In addition, the County and State submit that the foregoing new information constitutes a substantial basis for the Board to reconsider, and to reverse, its decision not to consider, as a serious safety issue, the question how a strike or other job action might affect the LERO work force, including its morale, its willingness to work and, indeed, its very existence, either before or after a strike. See Tr. 14,004-12; Memorandum and

Order Denying Motion of Suffolk County to Admit New Contention,  
dated September 7, 1984.

Respectfully submitted,

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Attorney for the Governor of the  
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 NEWSDAY, TUESDAY, OCTOBER 23, 1984

# Key Staffers Quitting LILCO

*Utility says 250 have taken other jobs since austerity began*

By Rick Brand

Long Island Lighting Co., which laid off more than 500 workers in a stringent austerity program last spring, has lost another 250 employees who are "key . . . to daily operations" for better paying jobs elsewhere, according to company documents.

LILCO, for the first time, revealed the extent of personnel losses in a petition to the Public Service Commission. The petition seeks approval of a \$3.6 million stock plan designed to stop defections by management employees.

As of Aug. 31, according to the documents, LILCO had lost, since the initiation of the austerity plan, 200 employees beyond the 500 laid off as part of the program, which saw 987 job slots eliminated. Yesterday, the PSC staff said the company had updated the figure to 250 as of Sept. 20.

"I had anticipated some leaving . . . but I would not have guessed that it would be of this magnitude," said Edward Murphy, deputy director of the PSC gas division, who is monitoring the utility's austerity program. He said he had learned of the problem several weeks ago and plans a meeting with

LILCO officials on the issue next week. (LILCO Urges Stockholder Lobbying, Page 26.)

PSC Chairman Paul Gioia said the problem is still being evaluated. "If we feel the drain on management is so severe that it will affect service, we will have to address it," he said.

The austerity plan, adopted March 6, eliminated 987 positions, including the layoff of 533, and forced pay cuts of 20 percent for corporate officers, 10 percent for managers earning more than \$35,000 a year and 5 percent for managers earning less. Before austerity, LILCO had more than 5,900 employees.

In its application, LILCO disclosed that the austerity pay cuts have "caused considerable hardship," and "many . . . management employees, primarily highly skilled employees who were key to . . . daily operations . . . in critical areas have left . . . in favor of higher paying positions elsewhere."

The problem, LILCO states, has caused the number of employees to "rapidly decline" and the company has been "unable to hire replacements . . . at the same rate of their attrition."

The losses, LILCO also asserts, has drained the

company of the pool of "people who . . . had demonstrated potential management abilities that would have provided . . . future executive talent."

The company is seeking approval of a plan to make management employees eligible to receive shares of common stock equivalent to the 1984 salary reductions that were imposed in March. To obtain those shares an employee must stay with the company through April, 1986.

Herman Berliner, dean of Hofstra University's School of Business, said LILCO's situation is "not typical utility behavior, but is normal for a company in trouble." He said employees leave because they "don't know what the future holds" and they leave "at the time most opportune for them," that is when they find a better position. Berliner said he would expect the losses to continue until LILCO can resolve its financial problems.

Murphy said LILCO's defections have been "partially compounded by the fact they made a conscious decision not to go out in a panic and fill [job] lines." He said the company is reviewing which areas need to be bolstered and which can operate without added personnel.

# LILCO offers bonus to vols in nuke evac plan

By MICHAEL HANRAHAN

The Long Island Lighting Co., faced with a massive defection of employees from its voluntary Shoreham emergency response plan, yesterday offered them a \$500 annual bonus to stay in the volunteer group.

LILCO Board Chairman William Catacosinos, in a letter to all of the approximately 5,000 employees, said the offer was being made in recognition that the required classroom training and exercise drills pose an inconvenience to workers and as an added incentive for their

participation.

All LILCO workers who participate in the employee group, which the company proposes to substitute for state and county police and other official personnel in conducting any required evacuation in the event of a mishap at Shoreham, are

already paid for their services at their normal rate of pay, including overtime when appropriate.

LILCO has proposed to the Nuclear Regulatory Commission that the employee group, known as the LILCO Employee Response Organization (LERO), be accepted as

the legally constituted body required by federal law to conduct evacuation in times of an emergency at a nuclear facility.

The company seeks this recognition as a result of the refusal of state and county officials to participate in any evacuation.

Sources have told the Daily News that more than 400 of the unionized workers have withdrawn from LERO since the end of the bitter LILCO strike in August.

CATACOSINOS noted in his letter that the company's objective is to have at least 30% more employees available for LERO than the 1,700 active participants required by the plan to carry out the necessary off-site public evacuation procedures.

Catacosinos wrote that recent developments were "encouraging" that the Shoreham plant would be licensed.