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September 7, 1984

BY TELECOPIER

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Long Island Lighting Company  
(Shoreham Nuclear Power Station, Unit 1)  
Docket No. 50-322-OL-3

Gentlemen:

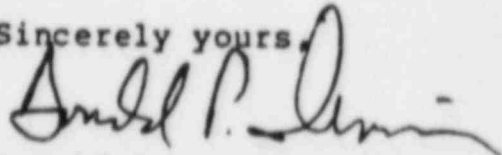
As of August 27, the date of LILCO's Answer to the August 20 Motion of Suffolk County to Admit New Contention, LILCO believed, and so stated, that the total number of union-member resignations from LERO associated with the strike which began on July 10 and ended on August 14 was 33. LILCO has become aware this week and notified counsel yesterday of 73

## HUNTON & WILLIAMS

miscellaneous additional resignations from LERO which were apparently submitted by union members during the general period of the strike. This makes a total of 106 apparent strike-related resignations, out of over 1200 union members and approximately 1800 total members of LERO. LILCO has every reason to believe that these resignations represent the outer bound of strike-related LERO manning losses. LILCO also has every expectation that these presumptively lost LERO members can and will be replaced and trained. Finally, this change in the number of strike-related losses (from about 1.8% to about 5.8% of LERO) does not affect any of the arguments advanced in LILCO's Answer.

On a related matter, LILCO's August 27 Answer stated that the business manager for the LILCO clerical workers' union had not yet executed a statement attesting to the independence of LERO participation from the LILCO-union relationship (see Kelleher Affidavit, ¶ 7). He since has done so; it is attached.

Sincerely yours,



Donald P. Irwin  
Counsel for Long Island  
Lighting Company

91/586  
Enclosure

cc w/ Enclosure: Eleanor L. Frucci, Esq.  
Bernard M. Bordenick, Esq.  
Lawrence Coe Lanpher, Esq. ✓  
Fabian G. Palomino, Esq.

STATEMENT OF RICHARD M. THOMPSON (after the vote)

The Union recognizes that the Local Emergency Response Organization (LERO) is a voluntary organization and outside the normal scope of the Company's business. It further recognizes that members of Local Union 1049, IBEW who have volunteered for assignments in LERO are performing duties and functions not associated with normal operations of the Company or in job classifications covered by the Collective Bargaining Agreement between the Company and the Union. Accordingly, the Union has no objection to any of its members volunteering for LERO assignments.

8 - 31-84  
Date

Richard M. Thompson

NEWSDAY, FRIDAY, NOVEMBER 9, 1984

# THE REGION

## LILCO Offers \$500 Bonus For Evacuation Staffers

Attempting to bolster the ranks of its force of employees to run the evacuation plan for the Shoreham nuclear power plant, Long Island Lighting Co. chairman William Catacosinos has offered every worker \$500 to volunteer for a year.

In a letter sent to all company employees, Catacosinos said he was making the offer because "classroom training and drills are occasionally scheduled outside the normal working hours."

But the offer comes after what Catacosinos has admitted is the loss of more than 200 volunteers in the wake of the bitter company strike last summer. The company is also attempting to recruit retirees. The company's goal is to get 525 volunteers over the normal full complement of 1,750.

Herbert Brown, attorney for Suffolk County, which has claimed the LILCO plan is unworkable, said the offer throws into question whether the plan "is living up to the capabilities that LILCO promised earlier." Under the plan, LILCO workers substitute for county employees. The county has refused to participate in emergency planning, claiming evacuation in the event of an emergency at Shoreham is impossible.

According to the bonus proposal, those who currently belong to the company's emergency team, would get the first \$250 by Dec. 15 at the end of a refresher training course, while new volunteers would get the first payment by the end of January. The remainder of the \$500 would be paid December, 1985. However, employees who leave the plan before a year is up would have to return the money they have already received.

New volunteers are being accepted through Nov. 23. If the number goes above the goal, the company will select employees whose skills are best suited the emergency organization's needs.

By Rick Brand

# LILCO austerity plan causing big woes

By MICHAEL HANRAHAN

**T**HE LONG ISLAND Lighting Co. just might be coming apart at the seams—from the inside.

Apart from the shopworn talk of the company's ongoing financial problems, there are new signs that the austerity plan may be something more of a plan for obsolescence, although it was not intended that way.

LILCO is clearly not keeping up with the required maintenance of its lines and facilities. Now comes word that builders of new homes on the Island were unable to get power turned on in their developments without long delays because LILCO did not have the required underground transformers.

Word is that LILCO ran out of stock on the equipment. The reason: "They blew it," said one management employee.

It wasn't a question of financing; it was poor management. With the austerity layoffs, combined with the executive bailout on the "unhappy," although not necessarily sinking, ship there wasn't anyone in place to process new orders for the equipment. To resolve the situation, LILCO borrowed from other companies' stock. But that was not before some major and costly inconveniences to the consuming public.

In an effort to stop the rush to the exit doors by middle-management personnel taking up jobs elsewhere, and what might even be considered a post-strike minimutiny by nonmanagement em-

ployes in resigning from the company-fostered Shoreham emergency response organization, LILCO has devised a number of bonus plans.

However, the bonus plans offered the employees have the potential of even further dividing what was once a united company "esprit de corps."

In introducing the austerity program last February, which included a massive layoff, LILCO announced that all corporate officers' pay would be reduced 20%. Management personnel making more than \$35,000 a year had their salaries cut 10%, while those earning less received 5% pay reductions.

Then came the bitter strike by unionized employees over company demands for givebacks in wages and fringes. The eventual strike settlement resulted in a contract agreement that preserved employees' fringe benefits but imposed a two-year wage freeze on non-management unionized employees.

**N**OW, LESS THAN two months after the union employee pay freeze, LILCO Chairman William Catacosinos proposes a company giveback to management staffers that is likely to provide them all with huge monetary profits in excess of their pay cuts.

The plan, proposed as an incentive to keep middle-management personnel with the company until at least next April, is to grant the employees one share of LILCO stock for every \$5 in pay lost throughout the year in 1984. The

stock was up to 7% by midweek and still rising. Should Shoreham open, as many people now believe it will, the stock is likely to triple in value.

**T**HE SECOND bonus plan offers a \$500 annual stipend to all employees who "volunteer" to participate in the LILCO Employee Response Organization (LERO), which the company is proposing as the alternative to a Suffolk County and state-sanctioned emergency evacuation plan, required by federal law as a condition to licensing of a nuclear plant.

Since the strike, many LILCO employees are reportedly resigning from the LERO organization team as a means of showing their unhappiness with the company and the treatment of long-term workers during and after the employee walk-out.

The LERO bonus plan even provides for half the bonus to be paid as soon after Dec. 1 as the employee completes training in the program. Catacosinos, in announcing the bonuses, said the company expects that the LERO evacuation team will have to be ready for a public drill early next year as a prerequisite to the Shoreham licensing proceedings.

It all appears to be geared to holding the company together until the opening of Shoreham.

But if LILCO can't now meet the demands of everyday operations, what will it do in the event of an emergency power shortage or storm disruption? If it is coming apart at the seams now, what will happen after Shoreham?



Before the Atomic Safety and Licensing Board

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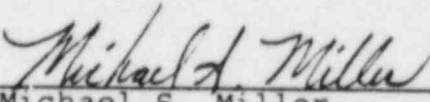
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