



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
CHAIRMAN

September 17, 1985

The Honorable Thomas J. Downey
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Downey:

In response to your request of August 5, 1985 for an explanation of the basis "for the Commission's change of position" regarding the conduct of an emergency exercise at Shoreham, a majority of the Commission believes that the basic position of the NRC has not changed during the course of the licensing review for Shoreham. In accordance with the NRC/FEMA MOU, the NRC requested the assistance of FEMA in reviewing offsite emergency plans and preparedness as part of the NRC's overall evaluation of the adequacy of emergency planning for Shoreham. In memoranda dated June 1 and June 17, 1983, the NRC specifically requested FEMA to provide separate findings on whether the LILCO offsite plan is adequate, whether it is capable of being implemented and whether LILCO has the ability to implement the plan. It was understood that the finding regarding LILCO's ability to implement the plan would require the conduct of an exercise.

The December 19, 1984 memorandum to FEMA noted the status of FEMA's review of the offsite plan as well as LILCO's proposal for an exercise. The NRC requested FEMA to take the lead in consideration of the proposed exercise. In view of LILCO's standing request for an exercise, the NRC on June 20, 1985 requested FEMA to schedule as full an exercise of the Shoreham emergency plan as is feasible and lawful at the present time. As indicated in a June 4, 1985 memorandum from the Secretary of the Commission, an exercise of the LILCO plan could, as a minimum, identify the impact of the limitations of LILCO's plan when executed under the state and county restrictions. That memorandum also directed the staff to ask FEMA to respond to five issues if FEMA indicated an exercise is not currently possible. Notwithstanding the absence of the state and county participation, an exercise could demonstrate LILCO's ability to respond to a postulated accident scenario at Shoreham, activate the Shoreham emergency response organization, formulate protective action recommendations based on plant conditions and projected doses, and test the means to alert and notify the public of these protective measures. These response actions do not necessarily require the involvement of state and county support organizations. By testing the plan now, the Commission and FEMA can identify and assure the correction of any

deficiencies in LILCO areas of role responsibility. Therefore, if, in the future, the authority question is resolved, a subsequent test of the plan could focus largely on areas requiring coordinated response by LILCO and external agencies. The Commission believes such a two-stage test should result in a more expeditious process for assuring that the emergency plan in toto adequately protects the public. This is particularly relevant as recent court decisions have held that deficiencies in emergency planning identified in the exercise may be litigated in the Commission's adjudicatory process.

With regard to the status of FEMA's review of LILCO's offsite emergency plan, on August 2, 1985, LILCO submitted to the NRC Revision 5 of the plan which responded to the remaining plan inadequacies previously identified by FEMA except for the inadequacy regarding the authority issue. On August 13, 1985, the NRC staff requested FEMA's assistance in reviewing Revision 5 of the Shoreham plan.

Regarding your request for information concerning the cost for such an exercise, we and FEMA have estimated the costs attributable to observation and evaluation of full participation emergency preparedness exercises. For the NRC, such costs average on the order of \$20,000 per exercise. FEMA has informed us that their costs for observing the offsite portion of an exercise vary from approximately \$90,000 to \$180,000 per exercise. These approximate figures include costs for preparation, travel, actual exercise observation, and post-exercise assessment activities for NRC and FEMA staff and contractor personnel. They do not include costs attributable to other Federal observers who may support FEMA's observation efforts as part of the Regional Assistance Committee (RAC).

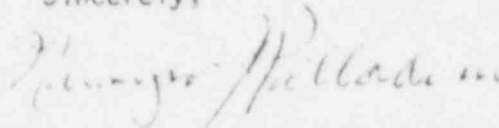
The Commission also notes that its Licensing Board recently issued a partial decision that held that the lack of state and county participation in executing the emergency plan precluded the issuance of an operating license for Shoreham. The ramifications of that decision are still under review.

In the matter of holding a drill in the current circumstances, I disagree with the Commission majority. After thinking about this a great deal, I concluded that only a potentially workable plan should be exercised. Given the Board's decision that LILCO does not have the legal authority to perform many of the required emergency response functions set out in the proposed plan, I question the usefulness

of a drill at this time. Further, the results of a drill of an inadequate plan might create new hearing issues that would need to be addressed, which new issues might not arise if one were to exercise only an adequate plan.

Commissioner Asselstine agrees with my comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nunzio J. Palladino".

Nunzio J. Palladino
Chairman