



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

NOV 28 1979

MEMORANDUM FOR: Howard K. Shapar, Executive Legal Director, ELD

FROM: Robert G. Ryan, Director
Office of State Programs

SUBJECT: CONFLICT OF INTEREST ISSUE IN EMERGENCY
RESPONSE PLANNING

The Nuclear Regulatory Commission is currently working with utilities, State governments and local jurisdictions to produce acceptable plans for an emergency response to an accident at a nuclear power station. In some cases, the utilities are directly assisting local and State planning enterprises with money, consultant time and services and equipment. The sense of urgency for emergency plans has sharpened with the probability that NRC will make the existence of concurred in plans a condition for licensing and continued operation of nuclear power stations. Utilities see it in their interest to have State plans achieve concurrence at the earliest possible date.

Obviously, the public interest is served by having acceptable emergency plans in place as soon as possible. But there are some questions which come immediately to mind: Is it appropriate for the utilities to do this type of planning for a State or a local jurisdiction? In its entirety? In part? Are direct money payments to State or local governments proper? May utilities properly hire consultants to work for or with State and local governments? Are contributions in kind -- e.g. equipment -- proper?

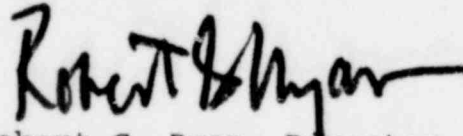
At this time we have no reason to believe that there is a real or potential conflict of interest in this sort of activity. But, we have never had a formal opinion on this score. Our program for concurrence of radiological emergency plans, if and when it is coupled with our licensing process, could be disrupted if it were later shown that such activity were unlawful or inappropriate in a legal or ethical sense. I think, therefore, it would probably be prudent to have an opinion from counsel about the propriety of utilities

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supporting State and local efforts in this field, an opinion which would describe, if necessary, some ground rules about the circumstances under which such assistance is proper.

I would be happy to discuss this matter with you.

A handwritten signature in black ink, appearing to read "Robert G. Ryan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert G. Ryan, Director
Office of State Programs

cc: Guy Cunningham, ELD