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UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

In the matter of:

DISCUSSION OF SHOREHAM ORDER

Docket No.

CLOSED MEETING

Location: Washington, D. C.

Pages: __

1 - 41

Date: Thursday, April 26, 1984

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1	UNITED STATES OF AMERICA
2	NUCLEAR REGULATORY COMMISSION
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5	DISCUSSION OF SHOREHAM ORDER
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	CLOSED MEETING - EXEMPTION NO. 10
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8	Nuclear Regulatory Commission
9	Room 1130 1717 H Street, N. W.
10	Washington, D. C.
11	Thursday, April 26, 1984
12	The Commission convened in closed session at
13	at 3:55 p.m.
14	
15	COMMISSIONERS PRESENT:
16	NUNZIO PALLADINO, Chairman of the Commission VICTOR GILINSKY, Commissioner
17	THOMAS ROBERTS, Commissioner JAMES ASSELSTINE, Commissioner
18	FREDERICK BERNTHAL, Commissioner
19	STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:
20	S. CHILK
21	H. FLAINE M. MALSCH
22	D. BERCOVITZ
23	
	AUDIENCE SPEAKERS:
24	J. FOUCHARD
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PROCEEDINGS

ChalRMan PALLADINO: The meeting will please come to order.

I circulated a note earlier this afternoon that suggested that we have a short notice meeting, a closed meeting under Exemption 10 on the Shoreham matter.

to hold it on less than one week's notice.

All those in favor say Aye.

Chairman Palladino: Aye.

COMMISSIONER GILINSKY: Aye.

COMMISSIONER ROBERTS: Aye.

COMMISSIONER ASSELSTINE: Aye.

COMMISSIONER BERNTHAL: Aye.

CHAIRMAN PALLADINO: Now I also would like to vote to close it on Exemption Iu, agency adjudication.

CHAIRMAN PALLADINO: Aye.

COMMISSIONER GILINSKY: Aye.

COMMISSIONER ROBERTS: Aye.

COMMISSIONER ASSELSTINE: Aye.

COMMISSIONER BERNTHAL: Aye.

CHAIRMAN PALLADINO: All right.

nerzel, would you introduce the subject.

MR. PLAINE: Yes. Mr. Chairman, this morning

our lawyers met with other lawyers in the case, in the

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Snoreham case before Judge Gerhari Gesell whose case it really was in the first instance but wasn't available to deal with the temporary restraining order.

Judge Gesell made it fairly plain that as he saw it the real issue was schedule. This is the basis upon which the temporary restraining order was issued and while ne indicated he wasn't prepared to disagree with his colleagues that the very tight schedule that had been granted was unreasonable, he did indicate that we can solve this problem and we should solve this problem by the lawyers agreeing on what is a reasonable time.

He said if you give me an agreement on that, I will deal with the case accordingly, which would probably indicate that he might favor not issuing a preliminary injunction.

In other words, the case is soluable on the pasis of getting a reasonable agreement on a reasonable nearing period and that includes time for preparation of their cases.

Because there are two possibilities of not having that agreement necessarily, I have suggested that the Commission issue the order that is before you. Those two possibilities are the indicated intransigence of the plaintiff in the lawsuit who on a preliminary try by at least one of the parties indicated they didn't want to

agree to any settlement like that, and the possibility, too, that the Licensing Board might, unless brought into this picture, might not necessarily agree with whatever is agreed upon.

So to make clear to the parties and to the Licensing Board that this is an essential element to get on with this case, I suggested the draft order that the Chairman circulated before this previous meeting and hope that it is self-explanatory in its brevity and what it says.

In other words, the Commission would be directing the parties to confer among themselves and with the presiding Atomic Sarety and Licensing Board as soon as possible with the objective or establishing a new schedule for further proceedings on the supplemental motion.

Such a new schedule would allow the parties a reasonable additional time for their cases. We suggest that by no later than noon, April 30, 1984, that is this coming Monday, the Chairman of the Licensing Board shall advise the Commission's General Counsel of the status of the conferences among and with the parties.

If it should turn out that the Board Chairman advises the General Counsel that no agreement among the parties on a schedule is possible, then we say the extraordinary circumstances of this case require that the

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Commission itself set a reasonable schedule.

anybody to start up on any hearing based on the present status of the litigation, we add that the conduct of hearings is currently enjoined in accordance with the U.S. pistrict Court's order of April 25, 1984.

MR. PLAINE: That means that by talking about scheduling and agreeing on scheduling they are not necessarily authorized to start up until the court authorizes this thing to go forward. This is all dependent on the court telling us. For example, we would nope the court would dismiss, if the TRO is still in existence, that it would dismiss the TRO and deny the issuance of a preliminary injunction.

CHAIRMAN PALLADINO: Does that mean then that if there is a reasonable schedule agreed to or one mandated by the Commission that it goes to the court?

MR. PLAINE: Oh, yes. That is the first place we would take. we would take it right to the court and indicate to the court that the parties have agreed, or in the alternative that the Commission has set a time which we think would be reasonable in light or all of the circumstances that have occurred to get on with the low-power hearing.

1 CHAIRMAN PALLADINO: There is one question I 2 have. 3 MR. PLAINE: Yes, sir. 4 CHAIRMAN PALLADINO: It is now essentially 5 close or business on the 26th. Noon of April 30 is only one 6 and a half working days, and since we are talking about 7 tight schedules, isn't that a bit unduly tight? 8 (Laughter.) 9 MR. PLAINE: well, we don't have much time, 10 Mr. Chairman. The court isn't going to play around with 11 this for a long time. They have required the filing of a 12 statement of law by tomorrow. He would probably set a 13 hearing if it is necessary in very short order, but I am 14 noping that it won't be necessary. 15 COMMISSIQNER GILINSKY: Let me ask you, what 16 do you think is a reasonable schedule? 17 MR. PLAINE: I really naven't thought about 18 it. 19 COMMISSIONER GILINSKY: well, we will be 20 setting one next week. 21 MR. PLAINE: You may end up secting one next 22 week, but maybe we can tell a little better by the results 23 of the negotiations and the offers and counteroffers. 24 COMMISSIONER GILINSKY: well, it is going to

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be between zero and infinity I suspect.

1 (Laughter.) 2 MR. PLAINE: It will probably be somewhere 3 between the time that originally you had been allowed and 4 some other date. 5 COMMISSIONER GILINSKY: But let me ask you. 6 are you talking about days, weeks or months? MR. PLAINE: I think you are talking about 8 several weeks. 9 COMMISSIONER GILINSKY: To the start of the 10 hearing? 11 Chairman Palladino: Could you review the old 12 schedule, the schedule that the court set aside? 13 COMMISSIONER GILINSKY: It started the other 14 day. 15 MR. PLAINE: It started the other day. 16 COMMISSIONER GILINSKY: In other words, we 17 allowed something to go forward that you thought ought to 18 go forward in several weeks and we allowed it go forward in 19 a day or two? 20 MR. PLAINE: Not in weeks, but we really 21 thought the schedule was too tight.

(Laughter.)

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MR. PLAINE: We did say that.

COMMISSIONER ASSELSTINE: In fairness I will support Herzel.

COMMISSIONER GILINSKY: I am not saying that 2 you aidn't provide that advice. 3 COMMISSIONER ASSELSTINE: That is right. 4 MR. PLAINE: If you look back at the 5 memorandum that we provided, we drafted a memo that 6 suggested a time schedule and, as I recall it, it was somewhere between six and eight weeks. 8 MR. MALSCH: I don't remember what ours was. 9 The one that was ordered by the Licensing Board provided 10 tor I believe ten days discovery and four or five days 11 testimony preparation, the testimony preparation to take 12 place between Monday and Good Friday and the hearing 13 scheduled for the following Tuesday. 14 MR. PLAINE: I think there were 11 working 15 days allowed. 16 COMMISSIONER GILINSKY: I think that Easter 17 and Passover, that probably played a role in that. 18 MR. PLAINE: Yes, all of that stuff. 19 COMMISSIONER ASSELSTINE: The frosting on the 20 Cake. 21 MR. PLAINE: The trosting on the cake, 22 correct. 23 COMMISSIONER GILINSKY: Palm Sunday. 21 (Laughter.) 25 MR. PLAINE: You are talking about several

weeks. It is possible that maybe two months is a reasonable time. I don't know at this point. I don't have any opinion on it.

CHAIRMAN PALLADINO: But in anticipation that we may have to face up to this next week, it would be well for us to get some guidance or be prepared to get some guidance.

MR. PLAINE: well, we will try to provide it.

CHAIRMAN PALLADINO: Rather than try to do it
here quickly. But I still come to my question is April 30th
too fast, and I only raise it because the issue is
important.

COMMISSIONER GILINSKY: well, if we are talking about a schedule of several weeks, I don't understand what ---

MR. MALSCH: well, the parties have been arguing about this schedule matter now for the last two or three weeks. There has been at least two rounds of written pleadings, at least one round or oral argument before the Licensing Board and two rounds of argument before District Court judges. It is the same issue.

CHAIRMAN PALLADINO: But has anybody suggested or did the plaintiff say well, I think it ought to be this month?

MK. MALSCH: On, yes, they have made very

1 specific suggestions as to what they think reasonable 2 schedules would be. 3 COMMISSIONER BERNTHAL: We got a thick packet 4 of exchanges in fact at the last meeting. 5 COMMISSIONER GILINSKY: what is the spread? 6 MR. MALSCH: I may be wrong, but I think the 7 difference is between Suffolk County's proposal for let's 8 say a hearing over let's say two months from now and LILCO 9 proposal that the hearing pe over three weeks from now, 10 something like that. They are fairly far apart. I think we 11 are talking about a several month difference between 12 Suffolk County and LILCO, but I would have to yo back and 13 check the arguments. 14 MR. BERCOVITZ: LILCO is willing to delay for 15 three weeks. 16 Chalaman PALLADINO: To what? 17 MR. BERCOVITZ: To delay for three weeks. 18 MR. PLAINE: Mr. Chairman, I don't feel badly 19 about this happening over the weekend. They didn't have any 20 problem bothering me all weekend with questions and with 21 things about now we are going to handle all this stuff. 22 (Laughter.) 23 I spent my Saturday and Sunday dealing with

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all these parties, and I think they can do it again this

weekend. Two in a row isn't that bad.

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(Laughter.)

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COMMISSIONER ASSELSTINE: The key point I think is that the Commission at this point, even where we are now, really doesn't have much time. If you are going to avoid getting into more trouble with the courts, the Commission is going to have to bite the bullet and set a more reasonable schedule very quickly.

MR. PLAINE: I will make a prediction where I generally don't. If we don't give the court something reasonable very shortly, you will get a preliminary injunction.

MR. MALSCH: Well, it could be even worse than that. There have been threatened discovery and depositions against Chairman Palladino, Mr. Cotter, Mr. Miller and Mr. Denton.

(Laughter.)

COMMISSIONER ASSELSTINE: Of course, that could all take place quite apart from whether the schedule gets settled or not. That is right.

COMMISSIONER BERNTHAL: Did you get that list? (Laughter.)

MR. FOUCHARD: I did.

(Laughter.)

MR. MALSCh: Dan was at the argument this morning and you might have him fill you in on exactly what

went on.

was being very unreasonable in not even talking to the parties and saying why didn't you make an attempt at some accommodation on the schedule. The judge says we can proceed and litigate or you guys can all sit down like reasonable people and negotiate.

he made the NRC's pleadings due tomorrow and he gave Suffolk County until next Tuesday for their pleadings. We felt that was sort of a hint to us.

(Laughter.)

hext Thursday is going to be the hearing on the jurisdictional questions and he actually may go and near the preliminary injuction next Thursday which will go more to the merits of the whether he should preliminarily enjoin this.

greatly by now reasonable he thinks the NRC is being. If the Commission would act before next Thursday and would negotiate with the parties and come up with some schedule or if the parties couldn't agree, order some schedule. If we had something other than what where we are today to defend, he may throw the whole thing out, and if we could also get this matter of the depositions and the disqualification thrown out at the same time.

1	The longer he takes the whole case, the worse
2	it is going to get for us really.
3	CHAIRMAN PALLADINO: You have explained it.
4	(Laughter.)
5	CHAIRMAN PALLADINO: Well, are there any other
6	questions or comments on this order?
7	(No response.)
8	CHAIRMAN PALLADINO: Are you ready to vote on
9	the order?
10	(Commissioners modding in the affirmative.)
11	CHAIRMAN PALLADINO: All those in favor of
12	issuing this order indicate by saying Aye.
13	COMMISSIONER BERNTHAL: Aye.
14	CHAIRMAN PALLADINO: Aye.
15	Did you vote Aye?
16	COMMISSIONER ROBERTS: I said Aye.
17	COMMISSIONER GILINSKY: I abstain since I was
18	not in rayor of the premises on which this hearing was
19	based. I thought we should have stepped in and redirected
20	the hearing board.
21	CHAIRMAN PALLADING: Where we were stepping in
22	was on a different aspect of it.
23	Go anead.
24	COMMISSIONER ASSELSTINE: I also am going
25	abstain. I don't have any problem with reading the order to

1	the parties right away, but before the order goes out
2	tonight I want about halr an hour to put together some
3	additional views that basically say that I think the
4	Commission should have stepped in on Monday and stayed this
5	whole thing and deal with both the substantive issues and
6	the procedural irregularities about this case.
7	CHAIRMAN PALLADINO: Now what will you do? Is
8	that attached to the order?
9	COMMISSIONER ASSELSTINE: I will attach it to
10	the order.
11	CHAIRMAN PALLADINO: Is that the usual
12	procedure?
13	MR. MALSCH: That is the usual procedure.
14	COMMISSIONER GILINSKY: I would expect to
15	agree with that.
16	COMMISSIONER BERNIHAL: If this thing is going
17	to be strung out now, it seems to me the Commission might
18	do well to reconsider. Since time now is no longer totally
19	under our control I guess we might
20	COMMISSIONER ASSELSTINE: That is a
21	possibility.
22	Chairman Palladino: To consider what?
23	COMMISSIONER ASSELSTINE: Stepping in.
24	COMMISSIONER BERNTHAL: The issue itself, the
25	issue we chose not to consider at the time, earlier this

week.

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MR. PLAINE: well, can't that also be done once the injunction is lirted? My feeling is that by raising issues that are not in the court at this point ---

COMMISSIONER BERNTHAL: I am not suggesting we do that instantaneously. I am saying that as it appears right now there is a considerable period of time where such judgments by the Commission would not have to be made in haste on the policy issue.

It might be the better part of valor to get the thing cleaned up. Given the risk that I think we all agree is still there, we may have another go-around when we are all tinished or supposedly finished with this.

MR. PLAINE: That was why I would suggest that possibly the two Commissioners who want to write something on the other matter would hopefully refrain from doing it in connection with this sole issue.

The only issue that the court sees at this point is the element of time. They are not concerned with the other issues. The court says that is the thing that this case was decided and that is the one thing that I think can disappear if you handle the time.

Now what if he issues an order dismissing? At that point you are perfectly free to reopen the whole matter of whether or not the hearing is being conducted on

1 a proper basis, and I think that is the time, if the Commission doesn't do it, that your views on not doing that 3 are very appropriate. But to do it in this connection ---4 COMMISSIONER GILINSKY: Except this order. 5 Herzel, says that it parties won't agree, the Commission is 6 going to set a schedule which will be the basis for going forward with the hearing which means that we agree with the 8 pasis on which the hearing is going forward. 9 COMMISSIONER ASSELSTINE: And we don't. 10 COMMISSIONER GILINSKY: One simply cannot 11 remain silent about that. 12 COMMISSIONER ASSELSTINE: That is right. 13 CHAIRMAN PALLADINO: I think it is important 14 to indicate why you were for staying it. It was on a 15 different pasis than the timetable alone. 16 COMMISSIONER ASSELSTINE: well, that was one 17 element, in my judgment. Remember I had three elements and 18 this was one of my three elements was the timing. 19 Chairman Palladino: weil, the order that was 20 about to go out didn't have that, although there were 21 drafts that had it. 22 COMMISSIONER ASSELSTINE: But it gian't 23 matter because you stayed ---24 COMMISSIONER GILINSKY: well, I must say the

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reason I was inclined to drop that item is simply because

I thought the other was more important and I thought it would be useful just to concentrate on the one important point, not that the others weren't value as well.

CHAIRMAN PALLADINO: well, if you write something, I may have to write something also.

-COMMISSIONER GILINSKY: But then we get into the problem that I think Fred is ---

COMMISSIONER ASSELSTINE: Fred raises an interesting point.

COMMISSIONER BERNTHAL: I really would urge you to consider that we may want to make a judgment on taking up the policy matter.

COMMISSIONER ASSELSTINE: why isn't now the time to make that decision though? I mean if the Commission is inclined now to look at the basic issue that is the premise for this hearing first and foremost, why isn't now the time to do that, to go back to the court and say, look, the Commission has decided in light of all that has happened that we are going to stay the Licensing Board's hearing and that we are now going to ask the parties to come before the Commission and the Commission is going to consider the key substantive question, and based upon how the Commission resolves that question, the Commission will decide whatever has to be done in terms of a schedule for any further hearings.

isn't that the thing to do right now? 3 COMMISSIONER GILINSKY: In ract, as I recall 4 it, Joe, you were troubled about the premises of the 5 hearing as well. 6 COMMISSIONER ASSELSTINE: That is right. COMMISSIONER GILINSKY: You said if we are 8 going to go down this other route, you were worried about 9 three weeks or some number of weeks that things would be 10 held up. Now that is going to happen now anyway. In fact, 11 it is going to be much longer than three weeks. 12 COMMISSIONER GERNTHAL: But there are two 13 issues and it seems to me especially since we are faced 14 with this immediate question of meeting the court's 15 requirements, that really is a scheduling matter. when 16 would the hearing itself then under some guesstimate of a 17 reasonable schedule actually begin? Has anybody got an 18 answer to that? 19 CHAIRMAN PALLADING: which hearing, the one 20 that the ---21 COMMISSIONER BERNTHAL: The Licensing Board's 22 hearing, the substantive hearing. 23 COMMISSIONER GILINSKY: But it seems to me 21 that if we would look into the basis for the hearing, as we

If we are considering doing that anyway, why

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were about to do earlier, it would moot the schedule

question.

COMMISSIONER ASSELSTINE: That is right.

COMMISSIONER BERNTHAL: But the schedule once established, and that was the reason for my question, could very well get us out of this situation on which we disagree as to whether we should issue a stay to the Board itself which is an extraordinary step. We don't very often do that. I guess we almost never do that when a hearing is in progress.

If we have got two or three weeks to consider the matter, the policy matter in the way in fact that I know Jim suggested it ought to be considered with the staff and others coming in, we can just do that, and we will as a matter of fact, depending on what that schedule is, finish the policy issue before the Board reconvenes.

MR. PLAINE: You can actually schedule a meeting on this subject without writing any separate views at this point ---

COMMISSIONER BERNTHAL: That is right and that is the point.

MR. PLAINE: --- and right here and now decide that we will reconsider now this hearing shall be conducted substantively.

COMMISSIONER ASSELSTINE: but if the Commission is going to do and is willing to do that, then

why let the hearing go forward. It seems to me what you want to do now is say the Commission has decided it is going to stay the hearing and it is going to consider the substantive issue itself. And once it makes that decision, then the Commission will decide on a schedule for any further ---

COMMISSIONER BERNTHAL: why stay it unnecessarily though, Jim? The question that I still naven't gotten answered is when is it going to start even if we didn't stay it?

COMMISSIONER ASSELSTINE: If you didn't stay it and if you didn't get involved at all, it is probably going to be a few weeks, isn't it?

COMMISSIONER BERNTHAL: well, then I see no reason at all to stay it. we can surely decide the policy matter, and we were talking at one point in the space of a week or ten days.

COMMISSIONER GILINSKY: Except when you say a hearing, a hearing is about a specific subject on a specific basis, and the basis is that order.

COMMISSIONER ASSELSTINE: That is right.

COMMISSIONER GILINSKY: what would your preliminary hearing be about? You have got to say some kind of hearing is going to take place later. Well, obviously, it is ---

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COMMISSIONER BERNTHAL: Why is it an injustice to anypout if they are going to take weeks and if the rules of the game change in the space of ten days?

COMMISSIONER GILINSKY: well, it is up to you. You have got to rigure out how you want to sort this out. I think as you said the better part of valor here is to -- I thought it was you who said that -- was to reconsider at this point and go back to where we were.

COMMISSIONER BERNTHAL: I am trying to remove the nettlesome issue on which we disagree of a stay which it appears to me is unnecessary.

COMMISSIONER ASSELSTINE: I don't think you can remove it.

COMMISSIONER GILINSKY: well, look, you were arguing that it was necessary.

COMMISSIONER BERNTHAL: It was when we were on that fast track timetable, but it isn't now it they are not going to start in weeks.

COMMISSIONER GILINSKY: but the argument you were making was that -- well, I suppose it was related to the time to a certain extent.

COMMISSIONER BERNIHAL: It certainly was.

COMMISSIONER GILINSKY: But you were also saying, it I recall, that the basis of the thing just wasn't right.

COMMISSIONER BERNTHAL: You are absolutely right, but I also telt we shouldn't take extraordinary action unless there was some consensus here, and a stay is a kind of extraordinary action that I see as being unnecessary at this point.

COMMISSIONER GILINSKY: well, I hope we get a consensus because we conducted an experiment, we have now got the result and that ought to resolve whatever doubts there were and we can now do something different.

MR. MALSC? Let me just say something. I think we should understand that when we asked the parties to negotiate with the Board and propose a schedule, what we will get back from them is a schedule on the Licensing board's assumptions as to a substantive pasis.

If the Commission then decides to change the ground rules, then you will have to go back and revisit the schedule question.

orders though. There is no need to do it in one order. You can simultaneously issue another order in which you indicate that the Commission is going to meet on the subject of the subject matter, if you will, of the renewed hearing.

COMMISSIONER ASSELSTINE: It just doesn't seem to make any sense to me to say to the parties and the Board

on the one hand go ahead and establish a schedule on the assumption that this going to go ahead just the way it is now, but on the other hand say and by the way, the Commission isn't at all sure that that is the way it is going to go and we have decided to take this issue up ourselves. It is inconsistent.

COMMISSIONER GIGINSKY: I can't remember our ever doing that.

COMMISSIONER BERNTHAL: As a practical matter, it isn't going to make any difference if they don't start for weeks and we do our work expeditiously. I am not unwilling to consider that the alternative, which also doesn't matter except for the extraordinary action and the disagreement among the members of the Commission, that you issue a stay which is meaningless and you lift the stay knowing that it is going to be weeks anyway before they start, well, okay.

COMMISSIONER GILINSKY: No, no. I mean the point here is that the Commission in looking into the basis for the hearing would be saying that it has some doubts about the basis for the hearing and therefore there is no point in having that hearing go forward until this Commission resolves its doubts and at that point they will issue a schedule.

COMMISSIONER BERNIHAL: If we issued a stay,

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what would be the effect on this schedule business in the courts? It is mooted and nothing nappens?

COMMISSIONER ASSELSTINE: That is right.

CHAIRMAN PALLADINO: well, it is not clear to me though that the basis for the hearing was necessarily -they postulated to make certain determinations and then
they will go ahead in certain ways, but they didn't say ---

COMMISSIONER GILINSKY: You don't have to say now that it was wrong, but if you have sufficient doubts about it that you want to take a look at it, then it seems to me it makes sense to hold things up and say we are going to take a look at it and decide what we think this nearing ought to be about.

ChalkMAN PALLADINO: I can see us doing that in a lot of nearings.

COMMISSIONER GILINSKY: well, listen, I tolu you he story about taking the wig.

CHAIRMAN PALLADINO: Tell us another time.

COMMISSIONER GILINSKY: I will tell you another time, but you have gone forward, the courts have stopped you and it seems to me you ought to rethink it. It is not a matter or ---

CHAIRMAN PALLADINO: we have got this on tight schedule.

COMMISSIONER GILINSKY: well, I will tell you,

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if you want to push your luck, that is okay with me.

COMMISSIONER ASSELSTINE: That is the tip of the iceberg, Joe.

COMMISSIONER GILINSKY: what I am saying is you might have been right and the courts might have round differently, but they didn't.

commissioner assetsfine: The substantive issue though, and the one that I agree I think, and there may be more agreement here than we realize, is that we may very well end up in a situation where we further delay the licensee as we go down the line here and all this stuff gets done it we do nothing right now on the policy issue. They may end up tack in court and may lose. I think that is what General Counsel has told us.

In fact, they were I think criginally arguing the the high ouds that that would be lost in court. Since the timing issue is no longer before us, and I don't particularly care about these arguments of sequence, the thing I agree on is that we ought to reconsider whether to take up the folicy issue itself. There is now time.

COMMISSIONER ASSELSTINE: I would be in favor of reconsidering our earlier action and in essence reversing our earlier nonaction and now say that the Commission should step in, stay any further hearings by the Licensing Board and take the issue up directly.

COMMISSIONER GILINSKY: Do you still have that 2 order, Sam? 3 (Laughter.) 4 CHAIRMAN PALLADINO: I hope somebody kept it. 5 COMMISSIONER GILINSKY: See if you can find 6 it. 7 (Laughter.) 8 CHAIRMAN PALLADINO: well, let's see, with 9 regard to this order, Jim ---10 COMMISSIONER ASSELSTINE: I would abstain on 11 this order. 12 CHAIRMAN PALLADINO: But you are going to 13 append remarks. 14 COMMISSIONER ASSELSTINE: That is right, but I 15 think now is the time. If we are going to step in and deal 16 with this, now is the time rather than issuing this order. 17 we should do it right now. 18 COMMISSIONER JILINSKY: It seems to me trom 19 your point of view that it is periectly reasonable to say 20 that in view of the court's actions you are faced with a 21 different situation. 22 COMMISSIONER ASSELSTINE: fnat is right. Your 23 arguments about delay I don't think exist any more. 24 COMMISSIONER BERNTHAL: That I agree with. I 25 am trying-to see it we can seek a compromise here on

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procedure and I would have hoped we could.

MR. PLAINE: I am still bothered by the fact, Mr. Chairman, that all you do is confuse the court now. The Court has told you plainly that the only issue he sees before him is this scheduling issue. That is the unconstitutional denial of right that the other District Court judge found. He says that is the only thing that is troubling me in this case, and I can dispose of this court limitation by dealing with that if you will give me a reasonable schedule.

Inat other matter of reconstituting the type of nearing you want is something that you can take up just as soon as you know that you are not faced with a limitation on ever going forward with this.

COMMISSIONER GILINERY: nerzel, you are talking tactics and we are talking strategy.

COMMISSIONER ASSELSTINE: That is right. (Laughter.)

altierence between tactics and strategy, I will be willing to accept it then.

Chairman Palladino: well, let's see, we have three votes to go ahead with the order. I am not trying to ---

COMMISSIONER ROBERIS: You are going to have a

long night when you say your fellow Commissioners' comments.

COMMISSIONER BERNTHAL: well, Joe, I mean I am willing to go anead with the order, but I am concerned about the issue that counsel has raised here, that if you are going to end up with drawing the other issue into what is this procedural matter, then ---

commissioner assetsfine: And if you go anead on this course, what you will in likelihood do is delay the start of the hearing now for probably at least a couple of weeks to work out a more reasonable schedule only to get to the end of the line where all of the sudden you find that you have serious substantive problems.

The same kind of substantive and fairness problems that OGC discussed before at our earlier meeting are still going to be there when this Licensing Board hearing gets done.

any of the substantive part, and I agree that you may end up in court and lose on the substantive issue. But, for example, what is wrong with the idea here of, as Herzel has suggested, issuing two orders? I mean we issue this one and agree to meet and consider the substantive issue and then we tinion that and we issue another order.

COMMISSIONER GILINSKY: Eecause for the reason

Marty pointed out that it in fact you make any changes in that hearing, you are going to have to redo the schedule, or you may have to redo the schedule.

COMMISSIONER ASSELSTINE: That is right.

CHAIRMAN PALLADINO: I thought our proposal was that you would take it out of the hearing board's hands and you would settle the substantive issue by the Commission. I thought that is what you were proposing so there would be no nearing.

COMMISSIONER ASSELSTINE: well, it depends upon how the Commission comes out on the substantive issue.

CHAIRMAN PALLADINO: Refresh my memory. Wasn't that the essence of the order or whatever ---

COMMISSIONER GILINSKY: It was actually Fred who was saying that we ought to rule from the pench, so to speak.

COMMISSIONER BERNTHAL: On the policy matter only.

COMMISSIONER GILINSKY: We could dispose of it right here and not bother with having a hearing.

CHAIRMAN PALLADING: I thought that was where we were coming out last week.

COMMISSIONER ASSELSTINE: No. well, it was for a nearing before the Commission on the policy issue. Now Marty did point out that if the policy issue is resolved

1 one way, then that essentially means no further hearing. If 2 the policy issue is that general design criteria apply to 3 low-power licenses as well as full-power licenses, then for 4 all practical purposes there is probably no hearing at all. 5 COMMISSIONER GILINSKY: Sorry. I meant no 6 hearing before the Commission on the question. 7 COMMISSIONER BERNTHAL: Yes, that right. I 8 wanted to make the record clear on that. 0 MR. PLAINE: I still don't see why you can't 10 do it in two pieces so as not to confuse the court. Why 11 confuse the court with your interal problems. 12 COMMISSIONER ROBERIS: Are you saying that the 13 dissenting remarks would confuse the court? 14 Mk. PLAINE: It is conceivable. He will wonder 15 well, what is up that I don't understand? 16 (Laughter.) 17 COMMISSIONER ASSELSTINE: He may get 18 interested. 19 MR. PLAINE: what he has done is he has 20 analyzed what the arguments are and he has looked at what 21 tile ---22 COMMISSIONER GILINSKY: But you are focused on 23 winning a narrow point. 24 MR. PLAINE: I am not talking about winning,

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Mr. Chairman, I mean Commissioner.

1 (Laughier.) 2 I just promoted you inadvertently. 3 (Laughter.) 4 I am talking about not confusing issues that 5 are not really being considered by the court. The judge 6 wants to dispose of this ---7 COMMISSIONER ROBERTS: I think they understand 8 exactly what you are saying. Q COMMISSIONER ASSELSTINE: we understand, 10 Herzel. Tom is right: 11 CHAIRMAN PALLADINO: But one thing the court 12 has got to understand ---13 COMMISSIONER ROBERTS: I am sympathetic to 14 your position now. 15 CHAIRMAN PALLADINO: One thing the court has 16 got to understand is this group is like a court and we have 17 dissenting opinions. Now if there is a dissenting opinion, 18 then that sort of requires an opinion from the majority. 19 That is why I said well, maybe I have to append something. 20 COMMISSIONER GILINSKY: At that point a 21 victous circle becomes a descending spiral. 22 COMMISSIONER ASSELSTINE: Inat is right. 23 (Laughter.) 21 CHAIRMAN PALLADING: But that court has to understand that there is a majority that has voted and then

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MR. PLAINE: Well, you lose time though

because this is something that ought to be at least read by

Chairman Palladino: Well, let me ask, it there is dissenting opinion, can the order go forward without an ordsetting opinion by ---

COMMISSIONER ROBERTS: Well, I don't think you

COMMISSIONER GILINSKY: well, the order is the opinion or the Commission.

COMMISSIONER ASSELSTINE: That is right.

COMMISSIONER ROBERTS: Yes, but you are going to raise another issue other than the narrow issue.

COMMISSIONER ASSELSTINE: That is right.

COMMISSIONER GILINSKY: On, sure, you can say anything you want in there.

COMMISSIONER ASSELSTINE: But there is an easy way to solve that problem, and that is what you can do is just read the order to the parties tonight or the phone and say that the order will issue in the morning and have all the opinions with the order issued in the morning.

Chalkman Pallaulno: Another way is to issue it tonight and reissue the dissenting and other opinions

tomorrow.

COMMISSIONER ASSELSTINE: I want tre opinion attached to the order.

COMMISSIONER BERNTHAL: Gentlemen, I must say that I think, and let me say this for the record since we will probably have a demand for a closed transcript again, I think we have got our heals dug in again and we are arguing matters that relate more to where we wanted to be and principles that are too deeply entrenched rather than the practical solutions here.

COMMISSIONER ASSELSTINE: I guess I disagree.

I think the fundamental question still is whether the

Commission is willing to step into this proceeding and

address the significant issue.

COMMISSIONER BERNTHAL: And I agree with that, but the question is now?

COMMISSIONER ASSELSTINE: There is only one way to do it.

Chairman Palladino: Now wait a minute. Three of us didn't agree last week. Now everybody has a right to change their minds. The process does allow for review at the end and I don't know whether it is necessarily wrong.

me. The review at the ent, we have had counsel's opinion on that.

CHAIRMAN PALLADINO: Well, but then you might have the benefit of all the input from the parties and from the Board. COMMISSIONER ASSELSTINE: But, Joe, you have 5 neard from the General Counsel's office that given the totality of circumstances surrounding this case now, they don't believe it is likely that that final decision is going to be able to survive judicial review when you get tnere.

COMMISSIONER GILINSKY: I don't know now much longer we can protect you, Joe.

(Laughter.)

COMMISSIONER ASSELSTINE: That is right.

CHAIRMAN PALLADINO: I didn't think you were trying to protect me. I don't need any protection. I sidn't generate the order of the hearing board.

(Laughter.)

COMMISSIONER ASSELSTINE: well, let's not discuss that any further.

COMMISSIONER BERNTHAL: It is a good thing it is only the words that appear in the transcript.

CHAIRMAN PALLADINO: we have a majority that says to go out with this order and we have the indication that we are going to get at least one dissent and possibly a joint dissent by two people. I guess if we go that way I

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would want to review that and see whether or not I want to add something.

COMMISSIONER GILINSKY: I think it is essential that the order not go out without those additional comments. That would be utterly and totally unprecedented.

Chairman Palladino: Oh, I thought we had uone things before ---

COMMISSIONER GILINSKY: Not without the agreement of the individuals.

MR. PLAINE: What about Commissioner
Asselstine's suggestion that we read the order itself to
the parties and then you can take your time in getting your
views out. At least we would get it started I would hope.

COMMISSIONER BERNTHAL: Let me try once more to urge though that we do by whatever mechanism consider, and I guess, Joe, this is something I would like you to consider, that we ought to think about addressing the policy question whatever the procedural mechanism might be.

ChalRMAN PALLADINO: All right. Let me ask jim a question.

If we agree to readdress the policy question, would you still put your dissenting remarks and we have picked a time. I don't know now soon we can be ready. I am not saying now I am going to vote, but apparently ---

COMMISSIONER ASSELSTINE: The problem I have 2 is then what happens to the hearing? I mean it you are really saying to the Board go anead and work something out and go ahead with the hearing, but at the same time you are' saying but the Commission itself is prepared to take up this policy question and decide it before that hearing goes ahead, it still doesn't make much sense to me, but that is what I want. what I would like to see if the Commission aduress the policy issue before the Licensing Board is

allowed to go anead with the hearing on the basis that they are now proceeding.

COMMISSIONER GILINSKY: See, you are saying in this order that it they don't come to an agreement, you are going to set a schedule for them and that is it.

COMMISSIONER ASSELSTINE: And it goes anead on the same basis.

COMMISSIONER GILINSKY: Never mind that it is going to be a longer schedule than before, but you are putting yourself squarely behind the Board's order.

COMMISSIONER ASSELSTINE: That is right.

MR. PLAINE: But if in the meantime you have changed the racts by indicating that you want what is really a longer hearing, well you do that. There is nothing to prevent you from doing that.

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COMMISSIONER GILINSKY: Let's be frank here.

If you are really thinking over whether this is the right course for the hearing, then the natural thing is to decide on the hearing after you have rethought that course.

Now what is at stake here is whether one is seen as having changed positions or appearing weak perhaps or caving into the court or God knows what else. I think one ought to put these things out of one's mind. In fact, I think had you known that the court was going to strike this thing down, I think you would have acted differently.

COMMISSIONER ROBERTS: No, not necessarily.

CHAIRMAN FALLADINO: As a matter of fact, I was surprised that the court never went into irreparable narm. There is one party getting harmed and another one I am not sure what the harm is.

COMMISSIONER GILINSKY: well, let's see, would you have gone forward with your previous decision if you had known the court would have issued a restraining order?

I gon't think so.

CHAIRMAN PALLADINO: That sort of mints at a nypothetical question.

COMMISSIONER GILINSKY: I think it was on the assumption that it would pass mustard. Now you might have been right, out as it turned out it wasn't right.

COMMISSIONER BERNTHAL: But if you stand back

and look at this whole thing dispassionately, we have got a hearing process that is ongoing and there is the matter of the timetable and what-not. The Commission is certainly free at any point, regardless of what the Board is doing in its hearing process and the court has mandated about putting out schedules, we are free to make a decision and hold your own separate little conclave on a policy

That is all I am suggesting, that we proceed as though we see there is a policy issue here and let's take it up and let the other stuff proceed.

MR. MALSCH: Let me just make a possible suggestion. Suppose we added into this order a statement to the effect, if the Commission agreed, that the Commission has decided that it should on its own initiative and on an expected basis take up the following questions and then list the ones we that were agreed upon in the previous order. Then invite the parties as a part of their scheduling discussions to include agreement or not on . whether the hearing should or should not go forward penuing completion of the Commissioin's quiuance.

COMMISSIONER ROBERTS:

COMMISSIONER GILINSKY: You are committing regulatory suicide.

(Laughter.)

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COMMISSIONER ASSELSTINE: You really don't realize what you are doing to yourselves on this. You are not making the situation any better. You really aren't.

CHAIRMAN PALLADINO: Well, but here a hearing board sets its basis and says you have got to show whether certain things are right or wrong or whether they are true or not true. Here we think we ought to do it on an expedited basis and here is our schedule, and we say well, we let hearing boards do this all the time and let them do it. Now the court says the Board went too fast.

essence what you are saying is you are satisfied with the course the Board is going on and the only concern you have is about the timetable. If that is the way you feel, then by all means you should go with this order. That is what you should do.

You should only set aside this order and do something else if you feel that now is the time for the Commission to get involved on that policy issue. If you don't feel that way, you should go with this order. No question about it.

COMMISSIONER BERNTHAL: well, in any case, regardless of what happens here and whose views are appended and what-not, we are free to take up a policy issue at any time and maybe that is the thing we ought to

think about.

think about.

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COMMISSIONER ASSELSTINE: Sure.

MR. PLAINE: Mr. Chairman, have we agreed that this will be the Commission's order?

CHAIRMAN PALLADINO: What I understand this to be, and maybe we need to confirm it, that we will wait for the appending remarks before we issue the order, but we will read it to the parties tonight.

COMMISSIONER GILINSKY: I think you ought to tell the parties that additional remarks will be available in a written version.

COMMISSIONER ASSELSTINE: That is right.

COMMISSIONER GILINSKY: But otherwise that is

mk. FOUCHARD: well, indeed, but once Herzel reads the order to the parties, it becomes a public matter.

I guess what I would propose to do is not volunteer this information, but after you have read it to the parties, I expect I am liable to get some calls this evening. My phone rings after hours, too. Acknowledge that this is what the Commission plans to do and that an order will issue tomorrow and there will be some views of individual Commissioners.

COMMISSIONER BERNTHAL: That sounds good to me.

1	CHAIRMAN PALLADINO: The closed meeting is
2	adjourned.
3	(Whereupon, at 4:40 p.m., the closed meeting
4	adjourned.)
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CERTIFICATE OF PROCEEDINGS

This is to certify that the attached closed proceedings before the NRC Commission in the matter of DISCUSSION OF SHOREHAM ORDER taken on Thursday, April 26, 1984 in room 1130 at 1717 H Street, N. W., Washington, D. C. were held as herein appears and that this is the original transcript thereof for the files of the Commission.

Mary C. Simons

May

Official Reporter - Typed

Official Reporter - Signature

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