



PDR

The Deputy Secretary of Energy  
Washington, DC 20585

August 15, 1989

Admiral Kenneth M. Carr  
Chairman, Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Admiral Carr:

On July 27, 1989, Admiral Watkins wrote to you regarding the status of the Shoreham nuclear power plant and, among other things, expressed his concern about reports that LILCO was planning to take actions which, in effect, would initiate the decommissioning process for Shoreham prior to formal NRC approval through the license amendment process. In this regard, Admiral Watkins emphasized that the Department would support the issuance by the Commission of an immediately effective order to prevent de facto decommissioning of the facility.

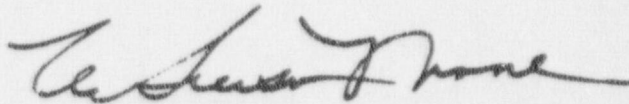
While I realize that the Commission must be permitted to consider carefully the requests for extraordinary action pending before it, time is a commodity which, in the present circumstances, is in short supply. As you know, on July 20, 1989, LILCO informed the Commission of major organizational changes which constitute the first step in dismantling the Shoreham organization by removing from their positions key members of the senior management team which has been responsible for plant operations. Further, LILCO made clear in its July 28, 1989 briefing of the NRC Staff its intention to complete a major destaffing which has already begun at the facility. A significant reduction in systems maintenance will also apparently take place at Shoreham following the completion last week of defueling. In addition, the entire LILCO offsite emergency response organization will apparently be dismantled.

Clearly, the parties to the Shoreham agreement consider these actions to be the commencement of the decommissioning process. The Department believes that before the Commission permits the dismantling of Shoreham to proceed de facto in this manner, the environmental review required by NEPA should be carried out through the preparation of an Environmental Impact Statement. In this regard, NRC regulations provide that no action concerning a proposal is permitted prior to completion of the NEPA process if such action would "limit the choice of reasonable alternatives." 10 CFR 51.101(a)(1). There can be no doubt that the choice of alternatives would be limited by allowing LILCO to take actions which effectively disable the plant and place it in a condition in which its restoration to safe operating status could take up to three years. In addition, by taking no action to preserve the status quo until it has determined how it will discharge its NEPA responsibilities, the Commission is allowing the license amendment process to be circumvented and abused by permitting LILCO to effectively achieve "possession-only" license status without formally applying for and receiving the required NRC approval.

On July 20, 1989, the Director of Nuclear Reactor Regulation, in his interim response to a petition filed by the Shoreham-Wading River Central School District, justified his refusal to take immediate action to prevent destaffing of Shoreham on the grounds that the "destaffing of the plant will not be implemented until early August." The Director further stated that the NRC Staff's evaluation of the staffing changes would be completed by the end of July. However, the Staff's evaluation is apparently not yet complete, early August has come and gone, and the destaffing of the facility together with a reduction in systems maintenance has already begun. Thus, to the extent that requests for immediate action to prevent de facto decommissioning of the facility were thought to be premature on July 20, that position is no longer tenable.

Given the management changes and the significant reductions in staffing and maintenance which have already taken place or are imminent, the Department urges the Commission to prevent action by LILCO which would prejudice the outcome of the Commission's consideration of Admiral Watkins' July 27 letter and the petitions for action which are now before it. On behalf of the Department, I therefore urge that the Commission consider taking action to prevent further reductions in staffing and maintenance at Shoreham until such time as the Commission is prepared to address the issues raised in Admiral Watkins' letter and the pending petitions. Taking such action on an interim basis would prejudice no one and would allow an orderly decisionmaking process to be conducted and completed. In view of the critical importance and complexity of the issues involved, and the prejudice to the environmental review which would occur should the alternative of near-term operation of Shoreham operation be precluded by staffing and maintenance reductions, such temporary action by the Commission is fully justified.

Sincerely,



W. Henson Moore  
Deputy Secretary

cc: Commissioner Thomas M. Roberts  
Commissioner Kenneth C. Rogers  
Commissioner James R. Curtiss