

MEMORANDUM FOR: John C. Hoyle, Secretary
FROM: Jeffrey S. Merrifield
SUBJECT: FUNDING FOR POTASSIUM IODIDE STOCKPILES

I propose that the Commission reconsider its present policy to fund a supply of potassium iodide (KI) for "any State, or in some cases, local government, that selects the use of KI as a supplemental protection measure for the general public." I have no intention of undermining the Commission's findings that the "use of KI is a reasonable and prudent measure for specific local conditions," or that the "decision for local stockpiling and use of KI as a protective measure for the general public is left to the discretion of the State." See Staff Requirements - [COMSECY-98-016](#) - Federal Register Notice on Potassium Iodide, Attachment (September 30, 1998). Indeed, I recognize that the Commission has revisited these issues many times in the past several years and it would be counterproductive to restart the entire process. However, the issue of funding as discussed in the present draft policy is an area that bears reconsideration. The present policy contemplates that the federal government, most likely the NRC, will fund the purchase of KI for every state that desires a stockpile.

Although the relative cost of an individual pill is minimal, the cost of the overall policy is substantial, ranging from \$1 - \$3.25 million, which corresponds to roughly 10-30 FTE's, respectively. Under the NRC's present budget limitations, it is reasonable to expect that the Commission's decision to absorb the added expense of the present KI policy could lead to a reduction in FTE's or negatively affect agency programs. Further, despite suggestions that the cost for this program could be phased in over a period of years, it is highly unlikely that a state having determined that KI is necessary, will want to wait for one or more years to obtain their KI supplies. More likely, we will receive significant pressure from participating states, including their respective Congressional delegations, to provide the stockpiles immediately. Thus, we have to be prepared to absorb these costs within a relatively short period of time.

I believe that the country needs useful, robust, pre-positioned stockpiles of KI. But, I question whether the present policy, including the plan for funding, achieves this result. It contemplates funding a stockpile for any state that desires to have one and does not provide funding for federal regional stockpiles for use by the general public. Consequently, under the present plan there is no contingency in place to make KI available to states which do not have a stockpile, but who elect at the last minute to use KI in the event of a radiological emergency, or for use in other unforeseen circumstances. Alternatively, it does not put a cap on the amount of KI that the country will accumulate as whole, albeit stored at the state level. The policy does not, for example, provide an incentive for a state to minimize stockpiling and expenses by sharing its KI reserves with neighboring states. To me this is not the most efficient or effective use of our limited resources.

Faced with the difficult decision of how to achieve an effective national KI policy without jeopardizing our ability to meet our other regulatory goals, I believe that the NRC as a federal agency should concentrate our efforts on pre-positioning KI at several appropriately located regional centers under the control of the Federal Emergency Management Agency (FEMA). The goal of the regional centers would be to ensure that KI is accessible in the event that state stockpiles are inadequate or if some other unforeseen contingency requires its use. Ultimately, I am convinced that the decision regarding whether a state should stockpile KI, including the details of how to fund it, should be left to the states.

I recognize that the Commission is now in a very difficult and I believe unfortunate position with respect to funding because of its previous commitment to pay for state stockpiles. Nevertheless, because I believe that the decision to fund the state stockpiles will not produce the most effective or robust national KI policy, I believe we should revise it. Presently, FEMA is coordinating review of the revised Federal Register Notice (FRN) drafted by the NRC on the use of Potassium Iodide. The staff provided the FRN to FEMA for distribution to other Federal Agencies that are members of the Federal Radiological Preparedness Coordinating Committee (FRPCC). I propose that the Commission withdraw the draft Federal Register Notice provided to FEMA, direct the staff to work with FEMA to determine whether it is feasible for the federal government to fund and maintain only regional stockpiles, and to revise the Federal Register Notice to reflect this modification to the Commission's KI policy.