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NRC STAFF PROPOSES TO FINE HL&P \$100,000; REQUIRES
INFORMATION FROM COMPANY, TWO OFFICIALS

The Nuclear Regulatory Commission staff has informed Houston Lighting & Power Company (HL&P) that it proposes to fine the company \$100,000 for what the NRC believes was discrimination against a contractor employee at the South Texas Project who brought complaints of possible safety problems to the agency's attention.

NRC also has issued formal demands for information concerning this matter to HL&P and to two company officials who figured in the case, Richard L. Balcom and William J. Jump.

These actions result from the findings of an NRC investigation into the circumstances of HL&P's action more than two years ago in causing the contractor employee to lose his job by revoking his access to the South Texas Project, a two-unit nuclear power station near Bay City, Texas.

The worker, Thomas Saporito, was hired on January 13, 1992, as an instrumentation and control technician at South Texas by Sun Technical Services. In a petition dated February 10, 1992, Mr. Saporito asked NRC to take action in response to alleged violations of South Texas security and work process procedures. In accordance with normal practice, a copy of the petition was sent to HL&P, the licensee involved.

On February 21, 1992, HL&P revoked Mr. Saporito's access to the plant site on the basis that he had willfully omitted material information about his previous work history from his access authorization request when he was hired. The following month, Mr. Saporito filed a complaint with the U. S. Department of Labor, alleging discrimination on the part of HL&P because of his contacts with the NRC. The Labor Department's Wage and Hour Division district director ruled in favor of Mr. Saporito on June 30, 1992. An appeal by HL&P is now pending within the Labor Department administrative law process.

In his letter informing HL&P of the enforcement action, James L. Milhoan, NRC deputy executive director for nuclear reactor regulation, regional operations, and research, said NRC

does not intend to send a message that licensees should not reconsider authorizing individuals' access to nuclear power plants. But he said the agency has concluded from the evidence in this case that the adverse action was taken against the employee because of his complaint to the NRC and not because of omitted work history information.

He said NRC investigators found inconsistencies between this case and previous ones involving omission of previous work information by South Texas job applicants. He also cited "the apparently reasonable explanation that this individual gave for his omissions" when confronted by HL&P.

Mr. Milhoan noted that HL&P has taken a number of recent steps to improve the employee concerns program at South Texas. These include an independent assessment, hiring of a new manager who reports directly to the top nuclear executive, sensitivity training for current and new supervisors, establishment of an employee ombudsman position, naming of an oversight panel, specialized training, and other steps to enhance employee confidence in the program.

In arriving at the \$100,000 civil penalty figure, NRC considered (1) the fact that management officials above first-line supervisors were involved; and (2) the company's relatively poor regulatory performance in the past.

In addition to the civil penalty, NRC is requiring the company, Mr. Balcom and Mr. Jump to supply information in order for the agency to determine whether additional actions should be taken. When Mr. Saporito's site access was revoked, Mr. Balcom was manager of the South Texas nuclear security department, and Mr. Jump was the South Texas general manager of licensing. Both now hold other positions in the company's corporate office.

NRC is asking for this information from HL&P:

- (1) A description of Mr. Balcom's and Mr. Jump's current employment duties and responsibilities, including whether either is now involved in NRC licensed or regulated activities.
- (2) An explanation as to why NRC can have confidence that HL&P will assure that an environment exists free of harassment, intimidation and discrimination, both in general throughout its organization and particularly with Mr. Balcom and/or Mr. Jump involved in licensed activities in the future.
- (3) An explanation as to why NRC can have confidence that Mr. Balcom and/or Mr. Jump will comply with NRC requirements should they be involved in NRC licensed or regulated activities in the future at HL&P.

In demands for information sent individually to Mr. Balcom and Mr. Jump, each is required to submit to NRC:

- (A) Information as to why the Commission should not take action to prohibit their involvement in NRC-licensed activities for some specified time or take other enforcement action deemed appropriate.
- (B) Information as to why the Commission should have reasonable assurance that, in the future, they will abide by NRC regulations that protect individuals who engage in protected activities (such as supplying safety concerns to NRC).
- (C) Any other information they believe relevant to the Commission's decision in this case.

Since an appeal is still pending before the Labor Department, HL&P is not required to respond to NRC's proposed civil penalty notice until after the Labor Department process has run its course. But the company and the two officials are required to respond to the NRC demands for information within 30 days.

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