

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

Title: AFFIRMATION/DISCUSSION AND VOTE

Location: ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND

Date: THURSDAY, AUGUST 11, 1988

Pages: 1-4

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1 UNITED STATES OF AMERICA

2 NUCLEAR REGULATORY COMMISSION

3 ***

4 AFFIRMATION/DISCUSSION AND VOTE

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6 PUBLIC MEETING

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8
9 Nuclear Regulatory Commission
10 One White Flint North
Rockville, Maryland

11 Thursday, August 11, 1988

12
13 The Commission met in open session, pursuant to
14 notice, at 11:30 a.m., the Honorable LANDO W. ZECH, Chairman
15 of the Commission, presiding.

16
17 COMMISSIONERS PRESENT:

18 LANDO W. ZECH, Chairman of the Commission

19 THOMAS M. ROBERTS, Member of the Commission

20 KENNETH M. CARR, Member of the Commission

21 KENNETH C. ROGERS, Member of the Commission

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STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

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S. CHILK

W. PARKER

P R O C E E D I N G S

(11:30 a.m.)

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2
3 CHAIRMAN ZECH: Good morning, ladies and gentlemen.
4 I understand that we need a vote to hold this meeting on
5 less than one weeks notice, Mr. Secretary; is that correct?

6 MR. CHILK: Yes.

7 CHAIRMAN ZECH: May I have such a vote, please?

8 COMMISSIONER ROBERTS: Aye.

9 COMMISSIONER ROGERS: Aye.

10 COMMISSIONER CARR: Aye.

11 CHAIRMAN ZECH: Aye. This is an affirmation
12 session this morning. We have one item to come before us.
13 Before I ask the Secretary to walk us through the item, do
14 any of my fellow Commissioners have any comments to make?

15 (No response.)

16 CHAIRMAN ZECH: If not, Mr. Secretary, please
17 proceed.

18 MR. CHILK: This item is 88-217. It's an
19 amendment to the Commission's regulations on the ownership
20 of securities and acceptance of food, refreshments and
21 travel expenses. The Commission here is being asked to
22 approve amendments to NRC's conduct of employee regulations
23 which would extend the prohibitions on the ownership of
24 certain securities to members of the Advisory Committee on
25 Nuclear Waste and provide further guidance regarding

1 circumstances under which an NRC employee could accept
2 travel expenses from an otherwise prohibited source when
3 proffered in connection with a job interview and under
4 which an employee could accept food and refreshments at
5 widely attended events sponsored by certain groups whose
6 membership is composed of prohibited sources.

7 These amendments are in accordance with the
8 conditions imposed by the Office of Government Ethics. All
9 Commissioners have approved the rule change. Would you
10 please affirm your vote?

11 CHAIRMAN ZECH: Aye.

12 COMMISSIONER ROBERTS: Aye.

13 COMMISSIONER CARR: Aye.

14 COMMISSIONER ROGERS: Aye.

15 CHAIRMAN ZECH: Is there anything else to come
16 before us this morning?

17 MR. CHILK: I have nothing.

18 CHAIRMAN ZECH: If not, we stand adjourned.

19 (Whereupon, at 11:32 a.m., the Commission meeting
20 was adjourned.)

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CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: AFFIRMATION/DISCUSSION AND VOTE

PLACE OF MEETING: Washington, D.C.

DATE OF MEETING: THURSDAY, AUGUST 11, 1988

were transcribed by me. I further certify that said transcription is accurate and complete, to the best of my ability, and that the transcript is a true and accurate record of the foregoing events.

A handwritten signature in cursive script, reading "John Frowledge", written over a horizontal line.

Ann Riley & Associates, Ltd.



RULEMAKING ISSUE
(Affirmation)

July 28, 1988

SECY-88-217

For: The Commission

From: William C. Parler
General Counsel

Subject: AMENDMENT OF COMMISSION REGULATIONS ON OWNERSHIP OF SECURITIES BY CERTAIN NRC EMPLOYEES AND ON ACCEPTANCE OF FOOD, REFRESHMENTS, AND TRAVEL EXPENSES FROM OUTSIDE PARTIES

Purpose: To request Commission approval of amendments to NRC's Conduct of Employees regulations that would (1) extend the prohibitions on ownership of certain securities to members of the Advisory Committee on Nuclear Waste, (2) permit acceptance of travel expenses from an otherwise prohibited source when proffered in connection with a job interview, and (3) permit acceptance of food and refreshments at widely-attended events sponsored by certain groups whose membership is composed of prohibited sources.

Summary: Section 0.735-29 of NRC's Conduct of Employees regulations (10 C.F.R. Part 0) prohibits Commissioners, certain staff members, and other related personnel, including members of the Advisory Committee on Reactor Safeguards, from

Contact:
S. Fonner, OGC
x-21632

owning certain security interests.^{1/} The Commission recently created a new committee, the Advisory Committee on Nuclear Waste. OGC proposes to add the members of the latter committee to the list of NRC employees who are subject to the restrictions of section 0.735-29. (Both members of the Advisory Committee on Reactor Safeguards and members of the Advisory Committee on Nuclear Waste are special Government employees of NRC.) In reviewing a draft of this paper, Raymond F. Fraley, the Executive Director of the Advisory Committee on Reactor Safeguards, questioned the appropriateness of including members of advisory bodies such as the Advisory Committee on Reactor Safeguards and the Advisory Committee on Nuclear Waste in the listing of NRC employees who are subject to these restrictions. OGC does not agree with the ACRS views because we believe that the public perception that these advisory committees perform independent, objective reviews can best be preserved if committee members are barred from holding security interests in the major entities in the commercial nuclear field.

Subject to very limited exceptions, section 0.735-42 of the regulations prohibits NRC employees from accepting gifts, entertainment, or favors from certain prohibited sources. Among other things, this prohibition applies to acceptance of travel expenses from such sources. Because potential employers

¹In 1973, the Atomic Energy Commission promulgated regulations barring its employees involved in licensing and regulatory activities, including members of the Advisory Committee on Reactor Safeguards, from owning security interests in companies falling within designated reactor-related categories. (See 39 Fed. Reg. 787, January 3, 1974.) Subsequently, a number of changes were made in the prohibition, including the addition of fuel cycle licensees to the designated categories of companies in which covered employees may not have holdings, and the extension of the prohibition to all employees who occupy positions at or above GS-13 or its equivalent. (44 Fed. Reg. 41424, July 17, 1979; 50 Fed. Reg. 25698, June 21, 1985; 52 Fed. Reg. 11028, April 7, 1987). However, the basic rationale for the prohibition -- avoidance of actual or apparent conflict of interest -- remains the same.

frequently require pre-employment interviews at the employer's place of business, the rule can create considerable hardship for any NRC employee who wishes to apply for employment with a prohibited source organization that is located outside of the area of the employee's duty station. Accordingly, OGC proposes to revise section 0.735-42 to permit acceptance of food, lodging, and transportation from an otherwise prohibited source when proffered in connection with a job interview outside of the area of an employee's duty station.

OGC has also prepared an amendment to section 0.735-42 that would permit acceptance of refreshments at widely-attended events sponsored by otherwise prohibited sources where the donor is a consumer, environmental, industrial, technical, trade, or professional association or a similar group. Under the amendment, prior approval would have to be obtained from the employee's immediate supervisor.

Discussion: I. Stock Ownership Prohibition

Paragraph (a) of section 0.735-29 of NRC's Conduct of Employees regulations provides that no Commissioner or employee, including a special Government employee who is a member of the Advisory Committee on Reactor Safeguards, who occupies a position at or above GS-13 or its equivalent, shall own any stocks, bonds, or other security interests issued by any entity that falls within any one of five designated reactor-related or fuel cycle-licensed categories. The Advisory Committee on Nuclear Waste will have as its members special Government employees who will perform the same advisory functions with regard to the high-level waste repository licensing program that members of the Advisory Committee on Reactor Safeguards perform with respect to power reactor licensing. These functions include providing input on major Commission decisions. It seems appropriate, therefore, to add the new committee to the listing in paragraph (a).

The ACRS is, however, opposed to this view. In a memorandum dated July 15, 1988, the Executive Director of the Committee suggested that a member of an advisory committee such as the Advisory Committee on Reactor Safeguards should not be subject to the restrictions of section 0.735-29 because some members have acquired their stock under a stock option plan offered by a private sector employer and they view such stock as part of their retirement benefits. (Attachment 1) He also stated that the Advisory Committee on Reactor Safeguards now devotes its time primarily to generic issues that apply to all nuclear plants or major classes of plants, rather than to licensing of specific plants.

The ACRS comments raise a policy issue that only the Commission can resolve. However, OGC is concerned that the exclusion he espouses could create significant perceptual problems. Both of the committees in question have as their mission the provision of advice on matters that command considerable public attention and that often engender intense public debate. To exclude members of these committees from the restrictions of section 0.735-29 may result in Committee members having substantial financial interests in the nuclear industry, creating the impression that their reviews are not independent and objective.^{2/}

Further, the same issue was raised by the Chairman of the Advisory Committee on Reactor Safeguards (then David A. Ward) as recently as December 1986 and presented to the Commission in a paper dated February 18, 1987. (SBCY-87-44) It was then determined by the Commission that members of that committee should not be treated differently from other

²Mr. Fraley's memorandum also points out that the Advisory Committee on Nuclear Waste is not a statutory committee, and that members of other non-statutory advisory committees of the NRC are not covered by the restrictions of section 0.735-29. However, in the view of OGC, the actual functions of an advisory committee, rather than the technical basis for the creation of the committee, should determine whether its members will be subject to these restrictions.

NRC employees with respect to the prohibitions of section 9.735-29, and that, therefore, the committee members should continue to be subject to the restrictions imposed by that provision. OGC is not aware of any basis for changing that determination.

II. Travel Expenses for Job Interviews

In accordance with Government-wide guidelines contained in Executive Order 11222 and part 735 of title 5, Code of Federal Regulations, NRC Conduct of Employees regulations provide, at section 0.735-42, that "an employee should not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from a person who:

- "(1) Has, or is seeking to obtain, contractual or other business or financial relations with NRC;
- "(2) Conducts operations or activities that are regulated by NRC or is an applicant for a license from NRC; or
- "(3) Has interests that may be substantially affected by the performance or nonperformance of his official duty."

Because they are items of monetary value, meals, entertainment, and travel expenses fall within this restriction.

With the approval of the Office of Government Ethics, agency regulations may provide limited exceptions to the restrictions on acceptance of gifts, entertainment, and favors, in order to accommodate situations where conflict of interest issues are not likely to arise. NRC has made such exceptions for (1) situations in which it is clear that the donation is motivated by obvious family or personal relationships, (2) acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a meeting or on an inspection tour, (3) acceptance of bank loans on customary terms to finance usual activities, (4) acceptance of unsolicited advertising or promotional materials of nominal intrinsic value, and (5) acceptance of transportation in situations where the offer of

transportation cannot be interpreted as seeking to influence the employee or the agency.

The rationale behind these exceptions would also appear to apply to acceptance of travel benefits provided in connection with a bona fide job interview. It is common practice for prospective employers to require an employment applicant to submit to a job interview at the employer's place of business before a hiring decision is made, particularly where the job sought is at the professional or management level. Where the prospective employer's place of business is not located in the area of the job applicant's duty station, the cost of food, lodging, and transportation associated with travel to the interview may be considerable. For this reason, the employer may offer to bear the expense involved. However, under current NRC regulations, an NRC employee may not accept such benefits from an entity that falls within one of the prohibited categories described above. Recently, the Office of Government Ethics has indicated that it is appropriate for agencies to amend their regulations to include such an exception.

OGC supports the addition to the regulations of an exception that would permit acceptance of food, lodging, and transportation from a prospective employer incident to travel required for a job interview. The applicant would, of course, still be subject to the participation prohibitions of 18 U.S.C. 208(a),³ and a condition based on that restriction is incorporated in the proposed amendment. As a further safeguard, the amendment would also require the employee to notify the counselor or a deputy counselor, in

³Section 208(a) prohibits a Government employee from participating personally and substantially, as a Government employee, in any particular matter in which an entity with which the employee is negotiating for employment has a financial interest.

writing, in advance of the proposed travel.^{4/} This avoids the awkwardness that could result if an employee were required to notify his supervisor of job interviews, but ensures that a responsible official will be informed of the employee's acceptance of travel benefits from an otherwise prohibited source.

III. Refreshments at Widely-Attended Events

OGC has been asked to prepare another exception to the restrictions of section 0.735-42 to permit acceptance of refreshments at widely-attended events sponsored by otherwise prohibited sources. Guidance contained in an October 23, 1987 memorandum from the Office of Government Ethics indicates that agency regulations may provide for acceptance of food and refreshments from a prohibited source in connection with attendance at such an event,^{5/} if the exception to the basic restriction subscribes to the following concepts:

- (1) it is in the agency's interest that the employee attend the event where the food and refreshments are being served;
- (2) the sponsor of the event is not one individual or entity that is regulated by the agency or that has some other business connection with the agency or that is directly involved in a matter pending before the agency so that the timing or the reason for the event would create an appearance of impropriety;
- (3) the exception applies only to widely-attended gatherings of mutual interest to the government and industry,

⁴Both this notification requirement and the approval requirement incorporated in the amendment regarding acceptance of refreshments at widely-attended events (discussed below) are based on advice received from the Office of Government Ethics regarding the requirements for the provisions in question.

⁵In the absence of an express exception, acceptance of food or refreshments at such an event by an agency employee will fall within the restriction if the host is a prohibited source.

such as receptions, seminars, conferences and training sessions;

(4) food and refreshments offered in conjunction with the event are not excessive; and

(5) some mechanism is established for providing an approval process that does not rely solely on the invitee's own judgment of what is in the agency's best interest.

The amendment prepared by OGC incorporates all the conditions prescribed by the Office of Government Ethics. Several other Government agencies have adopted similar provisions.

Recommendation:

Authorize the Secretary to issue the attached Federal Register notice (after approval is obtained from the Office of Government Ethics) revising the Nuclear Regulatory Commission's Conduct of Employees regulations.


William C. Parler 7/28
General Counsel

Attachments:

1. 7/15/88 Fraley Memorandum
2. Federal Register Notice

Commissioners' comments or consent should be provided directly to the Office of the Secretary by c.o.b. Friday, August 12, 1988.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT Friday, August 5, 1988, with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional time for analytical review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

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ATTACHMENT 1



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, D. C. 20555

July 15, 1988

MEMORANDUM FOR: Susan Fonner
Office of the General Counsel

FROM: R. F. Fraley, Executive Director, ACRS
R. F. Fraley

SUBJECT: PROPOSED REGULATION OF OWNERSHIP OF SECURITIES

My comments in response to your memorandum of July 6, 1988 are as follows:

Part-time members of advisory committees such as the ACRS/ACNW who have accumulated stock during a lifetime of work for an outside employer as part of a stock option plan as part of their retirement benefits should not be required to dispose of this stock to become members of a part-time advisory body needed for the benefit of the government, particularly when they may be barred from participating in ACRS/ACNW activities regarding these corporate entities for other reasons such as retirement benefits, previous direct involvement in specific projects, etc., even after they have disposed of any stockholdings.

It appears appropriate that the rule should be revised so that members of part-time advisory bodies such as the ACRS/ACNW can be excluded from ACRS/ACNW deliberations concerning decision making affecting those corporate entities where they possess such stockholdings but should not be required to dispose of such holdings.

In addition, it should be noted that members of the ACNW are not members of a statutory committee as are the members of the ACRS so it is not necessarily clear that the same rules need apply. For example, other nonstatutory advisory committees of the NRC (e.g., the Advisory Committee on Medical Uses of Isotopes and the Nuclear Safety Research Review Committee) do not follow such an interpretation. I understand that an interpretation similar to the one I have proposed above applies to members of such other committees. In addition, members of the ACRS are no longer involved primarily in the licensing of specific nuclear plants as they were when added to the list. The ACRS now devotes its time primarily to generic issues such as proposed NRC rules, technical policy statements, etc., which apply to all nuclear plants or major classes of plants rather than licensing of a specific plant.

In summary, I do not believe that the ACNW should be added to the rule, and I recommend that the ACRS be deleted.

I would be pleased to discuss this further if you desire.

cc: John Haylie, SECY

ATTACHMENT 2

NUCLEAR REGULATORY COMMISSION

10 CFR Part 0

Restrictions Against Ownership of Certain Security
Interests by Members of Advisory Committee on Nuclear
Waste; Gifts, Entertainment, and Favors

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is amending its regulations governing the ownership by NRC employees of stocks, bonds, and other security interests in companies that fall within any one of five reactor-related or fuel cycle-licensed categories. This amendment will add to the group of affected employees those special Government employees who serve as members of the Advisory Committee on Nuclear Waste. The Commission is also amending its regulations on acceptance of gifts, entertainment, and favors to permit acceptance of travel expenses from an otherwise prohibited source when proffered in connection with a job interview and to permit acceptance of food and refreshments at widely-attended events sponsored by certain groups whose membership is composed of prohibited sources.

EFFECTIVE DATE:

FOR FURTHER INFORMATION CONTACT: Susan Fonner, Senior Attorney, Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 492-1632

SUPPLEMENTARY INFORMATION: Section 0.735-29(a) of NRC's Conduct of Employees regulations (10 CFR Part 0) prohibits Commissioners, certain staff members, and other related personnel, including members of the Advisory Committee on Reactor Safeguards, from owning certain security interests. The Commission recently created a new committee, the Advisory Committee on Nuclear Waste. The Advisory Committee on Nuclear Waste will have as its members special Government employees who will perform the same advisory functions with regard to the high-level waste repository licensing program that members of the Advisory Committee on Reactor Safeguards perform with respect to power reactor licensing. In view of this, the Commission has determined that the new committee should be added to the listing of NRC employees subject to the prohibition of section 0.735-29(a).

The Commission is amending section 0.735-42 of the NRC Conduct of Employees regulations, which prohibits NRC employees from accepting gifts, entertainment, or favors (including travel expenses) from certain prohibited sources. Because potential employers frequently require pre-employment interviews at the employer's place of business, this prohibition can create considerable hardship for any NRC employee who wishes to apply for employment with a prohibited source organization that is located outside of the area of the employee's duty station. Under the revised regulation, employees may accept food, lodging, and transportation from an otherwise prohibited source when proffered in connection with a job interview outside of the area of an employee's duty station.

The Commission is also amending section 0.735-42 to permit acceptance of food and refreshments at widely-attended events sponsored by a consumer,

environmental, industrial, technical, trade, or professional association or similar group that would otherwise fall within the general prohibition on acceptance of gifts, entertainment, or favors from certain sources. The amendment follows the guidelines set forth in an October 23, 1987 Office of Government Ethics memorandum on "Acceptance of Food and Refreshments by Executive Branch Employees."

Because these amendments relate solely to matters of agency management or personnel, good cause exists for omitting notice of proposed rulemaking and public procedures thereon, as unnecessary, and for making the amendments effective upon publication in the Federal Register.

Environmental Impact: Categorical Exclusion

The action required under this final rule is administrative and would not impact the environment. The NRC has determined that this final rule is the type of action described in categorical exclusion 10 CFR 51.22(c)(1). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this final rule.

Paperwork Reduction Act Statement

This final rule contains no information collection requirements and, therefore, is not subject to the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et seq.).

Regulatory Analysis

Under existing NRC regulations, no Commissioner or employee, including a special Government employee who is a member of the Advisory Committee on Reactor Safeguards, who occupies a position at or above GS-13 or its equivalent, may own any stocks, bonds, or other security interests issued by any entity that falls within any one of five designated reactor-related or fuel cycle-licensed categories. The Advisory Committee on Nuclear Waste will have as its members special Government employees who will perform the same advisory functions with regard to the high-level waste repository licensing program that members of the Advisory Committee on Reactor Safeguards perform with respect to power reactor licensing. These functions include providing input on major Commission decisions. The Commission has, therefore, determined that the regulations should be revised to provide that members of the Advisory Committee on Nuclear Waste are subject to the prohibition on ownership of securities of organizations that fall within the designated categories. The revised regulation is an alternative which is preferred to the unrevised regulation, and the cost entailed in its promulgation and application is necessary and appropriate.

In accordance with Executive Order 11222 and Part 735 of Title 5, Code of Federal Regulations, existing NRC regulations prohibit employees of the agency from accepting gifts, entertainment, or favors from an entity that (1) has, or is seeking to obtain, contractual or other business or financial relations with NRC, (2) conducts operations or activities that are regulated by NRC or is an applicant for an NRC license, or (3) has interests that may be substantially affected by the performance or nonperformance of the employee's official duty. However, Executive Order 11222 and 5 CFR Part 735

authorize agencies to provide necessary and appropriate exceptions to this prohibition.

The present NRC regulation prohibiting acceptance of gifts, entertainment, or favors from prohibited sources applies to acceptance of travel benefits in connection with a job interview. Because potential employers frequently require pre-employment interviews at the employer's place of business, the prohibition can create considerable hardship for any NRC employee who wishes to apply for employment with a prohibited source organization that is located outside of the area of the employee's duty station. The alternative adopted in this rule will permit acceptance of food, lodging, and transportation from an otherwise prohibited source when preferred in connection with a job interview outside of the area of an employee's duty station. The Commission believes that this alternative is to be preferred to the unrevised regulation.

Existing NRC regulations on acceptance of gifts, entertainment, and favors also prohibit employees of the agency from accepting food or refreshments at widely-attended events sponsored by organizations that fall into the categories listed above. The alternative adopted in this rule will permit such acceptance where the donor is a consumer, environmental, industrial, technical, trade, or professional association, or a similar group, and it has been determined that it is in the agency's interest that the employee attend the event and the food and refreshments offered are not excessive in nature. A number of Government agencies have adopted such a provision. The Commission also believes that this is the preferred alternative, and the cost entailed in the promulgation and application of

this and the foregoing amendment to the regulations is necessary and appropriate. The foregoing discussion constitutes the regulatory analysis for this final rule.

Backfit Analysis

The NRC has determined that the backfit rule, 10 CFR 50.109, does not apply to this final rule and, therefore, that a backfit analysis is not required for this final rule because these amendments do not involve any provisions which would impose backfits as defined in 10 CFR 50.109(a)(1).

List of Subjects in 10 CFR Part 0

Conflict of interest, Penalty.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, E.O. 11222 of May 8, 1965, 5 CFR 735.104, and 5 U.S.C. 553, the NRC is adopting the following amendments to 10 CFR Part 0.

PART 0 - CONDUCT OF EMPLOYEES

1. The authority citation for Part 0 continues to read as follows:

AUTHORITY: Secs. 25, 161, 68 Stat. 925, 948, as amended (42 U.S.C. 2035, 2201); sec. 201, 88 Stat. 1242, as amended (42 U.S.C. 5841); E.O. 11222, 30 FR 6469, 3 CFR 1964-1965 COMP., p.306; 5 CFR 735.104.

Sections 0.735-21 and 0.735-29 also issued under 5 U.S.C. 552, 553. Section 0.735-26 also issued under secs. 501, 502, Pub. L. 95-521, 92 Stat. 1864, 1867, as amended by secs. 1, 2, Pub. L. 96-28, 93 Stat. 76, 77 (18 U.S.C. 207).

2. In § 0.735-29, paragraph (a) is revised to read as follows:

§ 0.735-29 Restriction against ownership of certain security interests by Commissioners, certain staff members and other related personnel.

(a) No Commissioner or employee, including special Government employees who are members of the Advisory Committee on Reactor Safeguards, the Advisory Committee on Nuclear Waste, the Atomic Safety and Licensing Board Panel, or the Atomic Safety and Licensing Appeal Panel, who occupies a position at or above GS-13 or its equivalent, shall own any stocks, bonds, or other security interests issued by any entity falling within the categories set forth in paragraph (b)(1) of this section. This prohibition also applies to employees who occupy positions below the GS-13 level that fall within occupational codes designated by the Commission. The restrictions set forth in this section apply to spouse, minor child, or other members of the immediate household of a Commissioner, employee, or special Government employee. In cases where the entity covered by the prohibition is a subsidiary of another corporation, the prohibition extends to the parent company.

* * * * *

3. In § 0.735-42, new paragraphs (b)(6) and (b)(7) are added to read as follows:

§ 0.735-42 Gifts, entertainment, and favors.

* * * * *

(b) * * *

(6) Acceptance of food, lodging, and transportation from a prospective employer incident to travel required for a job interview if --

(i) The employee, in conformance with § 0.735-22, is not acting on behalf of the NRC in any particular matter in which the prospective employer has a financial interest;

(ii) The food, lodging, and transportation is not excessive or lavish and any reimbursement for travel costs is limited to actual expenses; and

(iii) The employee informs the counselor or a deputy counselor in writing in advance of the proposed travel.

(7) Acceptance of food and refreshments from a consumer, environmental, industrial, technical, trade, or professional association or similar group (not from an individual company), in connection with an NRC employee's attendance at a widely-attended gathering of mutual interest to the government and the private sector, such as a reception, seminar, conference, or training session, provided that --

(i) The food and refreshments proffered are not excessive; and

(ii) The employee's immediate supervisor or, in the case of an invitation to a Commissioner, the Commissioner, after consultation with the counselor or a deputy counselor, has determined in writing that --

(A) It is in the interest of the NRC for the employee to attend the gathering; and

(B) Attendance at the event will not create an appearance of impropriety, considering factors such as the timing of the event, the reasons for the event, and the sponsors of the event.

* * * * *

Dated at Rockville, Maryland, this ____ day of _____, 1988.

For the Nuclear Regulatory Commission,

Samuel J. Chilk
Secretary of the Commission.