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CAE-Link Corporation

April 13, 1992
RME:92-363

P.O. Box 1237
Binghamton, New York 13902-1237
Telephone 607-721-5465

U.S. Nuclear Regulatory Commission
Division of Contracts and Property Management
Mail Stop P-1118
Washington, D.C. 20555

ATTENTION: William H. Foster, Chief Policy Branch

Dear Mr. Foster:

I have been asked by our Contracts Department to review the Contractor Organizational Conflict of Interest clause proposed to be implemented shortly by the Nuclear Regulatory Commission (NRC). We thank the NRC for providing us with such an opportunity. Our company, among other products and services, provides training services, and we are contemplating a return to the nuclear simulation business.

Our major difficulty with the proposed clause is with the potential breadth of its applicability. Unlike the Federal Acquisition Regulation provisions regarding organizational conflict of interest, the proposed NRC clause has no specific exemptions from coverage; rather, it appears that all contracts with the NRC would be covered by the clause's provisions.

Such broad coverage will undoubtedly include contractors and contracts where organizational conflicts of interest are unlikely, as in the provision of training services. Under the terms of the proposed clause, however, any contractor may be excluded from follow-on efforts which "stem directly" from the work the contractor is currently performing for the NRC. As a provider of training services, we are concerned that much follow-on training work would stem directly from previous training work, yet if we were to enter into a contract with your organization for the previous training work, we might be excluded from the follow-on effort. I am sure you can understand that our Company would be reluctant, say, to enter into a contract for \$50K, knowing that the follow-on work, estimated at \$250K, might be denied us.

Our company recommends that the NRC adopt exemptions from the proposed conflict of interest coverage similar to those set out at FAR 9.507-1(d), which exemptions expressly include training services. We believe that the provision of training services, unlike advisory or assistance contracts, is an area where organizational conflicts of interest are less likely to occur; accordingly, an exemption from coverage of the proposed clause would be warranted.

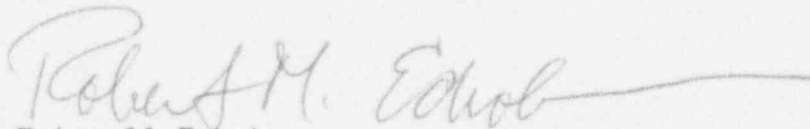
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We would be happy to discuss this issue or provide more information should same be desired. We thank you again for the opportunity to comment.

Sincerely,

CAE-LINK CORPORATION

A handwritten signature in cursive script, reading "Robert M. Echols", followed by a long horizontal flourish line.

Robert M. Echols
Counsel
Corporate Ethics Officer

RME:hk