

Sverdrup
CORPORATION

13723 Riverport Drive
Maryland Heights, Missouri 63043

314 436-7600

DOCKETED
USNRC

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OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Attention: Docketing and Service Branch

Dear Mr. Secretary:

This letter constitutes Sverdrup Corporation's response to your proposed rule concerning Preserving the Free Flow of Information to the Commission found at Volume 54, No. 136 of the Federal Register dated Tuesday, July 18, 1989.

By way of introduction, Sverdrup Corporation is not a major licensee or license applicant of the Nuclear Regulatory Commission. As part of its professional services rendered to clients, Sverdrup Corporation from time to time uses small nuclear equipment to test for moisture of soils. Only in this context is it a licensee or license applicant under the jurisdiction of the Nuclear Regulatory Commission.

Sverdrup Corporation agrees that complainants voicing alleged safety violations should have free access to the Nuclear Regulatory Commission staff. However, it believes that the proposed rule will impose significant burdens on applicants and licensees to supervise their contractors and subcontractors which will have a significant bureaucratic and economic impact upon such licensees and license applicants.

What is unclear about the proposed rule are the "procedures" which a licensee or license applicant must establish to ensure that its contractors and subcontractors are informed of the prohibition concerning settlement agreements under Section 210 of the Energy Reorganization Act and that contractors and subcontractors are notified of any complaints of discrimination by their employees for providing safety violation information to the Nuclear Regulatory Commission. Most onerous is the requirement that a licensee or license applicant must review any settlement agreement negotiated between a subcontractor or contractor and their employees concerning Section 210 of the Energy Reorganization Act. These oversight requirements will require license applicants and licensees to hire additional personnel to perform these functions and will involve them in disputes and possibly litigation between contractors and subcontractors and their employees. Licensees or license applicants will have obvious difficulty in compelling their contractors and subcontractors to negotiate proper agreements with such employees.

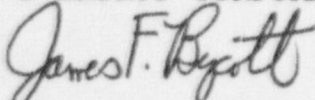
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A better and less burdensome approach would be for the Nuclear Regulatory Commission to adopt a rule requiring that all contracts of licensees and license applicants with their contractors and subcontractors notify such contractors and subcontractors of the substance of this proposed rule. Specifically, contracts between the licensees and license applicants and contractors and subcontractors should contain terms or provisions that contractors and subcontractors cannot discriminate against employees for revealing safety related matters to the Nuclear Regulatory Commission or restrict in any way access of such employees to the Nuclear Regulatory Commission as part and parcel of the Section 210 settlement agreements. Also, such contracts of licensees and license applicants could contain a certification by the contractor and subcontractor that they would abide by the proposed rule. This approach would simply take the burden off the license applicant and licensees of policing contractors and subcontractors. Similarly, licensees and license applicants could so certify to the Nuclear Regulatory Commission that all contracts they have with contractors or subcontractors comply with the substance of this proposed rule. Violations by a contractor or subcontractor of such certifications would constitute a breach of contract with licensees and license applicants. False certifications by licensees and license applicants would subject them to enforcement by the Nuclear Regulatory Commission and subject them to violations of 18 U.S.C., Section 1001.

Thank you for allowing me to submit such comments on behalf of Sverdrup Corporation.

Sincerely,

SVERDRUP CORPORATION



James F. Bycott
Attorney

cc: Mike Droke

JFB:jyb