

July 30, 1999

MEMORANDUM TO: Karen D. Cyr, General Counsel
FROM: Annette L. Vietti-Cook, Secretary /s/
SUBJECT: COMSECY-99-020 NRC RESPONSE TO REQUEST FOR SUPPORT OF FEDERAL TAX RELIEF
FOR WHISTLEBLOWERS

The Commission has approved your proposed response, subject to the attached edits, to a request for written support of legislation which would amend the Internal Revenue Code (IRC) such that it does not serve as a deterrent to whistleblowers.

The Commission also approves sending copies of the response to the Department of the Treasury, the Department of Labor, the Office of Management and Budget, and also recommends that copies be forwarded to the Senate Environment and Public Works Committee and Finance Committee, as well as the House Commerce and Ways and Means Committees. The cover letter to these agencies should reiterate the Commission's concern with any disincentive to employees to report health and safety concerns.

Attachment: [Letter to S. Doyle](#)

cc: Chairman Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield
EDO
CIO
CFO
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS

ATTACHMENT

Mr. Shannon T. Doyle
3762 West Cook Road
Dothan, AL 36301

Dear Mr. Doyle:

This is in reference to your letter dated April 23, 1999, seeking NRC support for legislation similar to H.R. 2792, the "Employment Discrimination Award Tax Relief Act," which was introduced in the 105th Congress. As you know, on May 27, 1999, Representative Pryce introduced H.R. 1997, the "Civil Rights Tax Fairness Act of 1999." This proposed legislation, while it differs in several respects from H.R. 2792, would have the effect of providing some tax relief to claimants who have received amounts as a result of unlawful discrimination claims. "Unlawful discrimination," as defined in this proposed legislation, includes claims made under whistleblower protection provisions such as section 211 of the Energy Reorganization Act, as amended.

The NRC has reviewed the fundamental questions that you have raised. The tax issues addressed in proposed legislation such as H.R. 2792 and H.R. 1997 encompass a broad range of unlawful discrimination claims, in areas well beyond the purview of the whistleblower protections of section 211. While not expressing views on these bills, the NRC believes the Federal tax laws should not serve as a disincentive to employees who would otherwise come forward with health and safety concerns. In other contexts the NRC has stated that "a reluctance on the part of employee's to raise concerns is detrimental to nuclear safety." See Policy Statement for Nuclear Employees Raising Safety Concerns without Fear of Retaliation, 61 FR 24,336 (May 14, 1996). However, the NRC's mandate necessarily gives it a limited perspective on these generic tax issues and we are not in a position to endorse particular legislative proposals. ~~Nonetheless, the~~ Therefore, Congress is in the best position to consider the important ~~NRC believes that the~~ issues you raise ~~warrant consideration by the Congress.~~

Thank you for bringing our attention to this matter.

Sincerely,
Greta Joy Dicus