



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) / PRIVACY ACT (PA) REQUEST

2000-0014

4

RESPONSE TYPE FINAL PARTIAL

REQUESTER

Maria Webb

DATE

FEB 22 2000

PART I. -- INFORMATION RELEASED

- No additional agency records subject to the request have been located.
- Requested records are available through another public distribution program. See Comments section.
- APPENDICES Agency records subject to the request that are identified in the listed appendices are already available for public inspection and copying at the NRC Public Document Room.
- APPENDICES **F** Agency records subject to the request that are identified in the listed appendices are being made available for public inspection and copying at the NRC Public Document Room.
- Enclosed is information on how you may obtain access to and the charges for copying records located at the NRC Public Document Room, 2120 L Street, NW, Washington, DC.
- APPENDICES **F** Agency records subject to the request are enclosed.
- Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (see comments section) for a disclosure determination and direct response to you.
- We are continuing to process your request.
- See Comments.

PART I.A -- FEES

- AMOUNT * You will be billed by NRC for the amount listed. None. Minimum fee threshold not met.
- \$ You will receive a refund for the amount listed. Fees waived.

* See comments for details

PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE

- No agency records subject to the request have been located.
- Certain information in the requested records is being withheld from disclosure pursuant to the exemptions described in and for the reasons stated in Part II.
- This determination may be appealed within 30 days by writing to the FOIA/PA Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Clearly state on the envelope and in the letter that it is a "FOIA/PA Appeal."

PART I.C COMMENTS (Use attached Comments continuation page if required)

SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER

Carol Ann Reed

APPENDIX F
RECORDS BEING RELEASED IN THEIR ENTIRETY
(If copyrighted identify with *)

<u>NO.</u>	<u>DATE</u>	<u>DESCRIPTION/(PAGE COUNT)</u>
1.	12/8/98	E-mail from M. Stein, OE, to C. Weil, Region III, re Citation to Policy Statement. (1 page)
2.	12/8/98	E-mail from M. Stein to J. Lieberman, OE, re travel plans for Enforcement Conference. (1 page)
3.	08/20/99	E-mail from Vonna Ordaz, NRR, to M. Stein, OE, Re: MK Confirmatory Order (1 page)
4.	08/25/99	E-mail from J. Monninger, NRR, to A. Mohseni, NMSS, Re: NMSS interface with Morrison Knudsen (1 page)
5.	08/30/99	E-mail from J. Monninger, NRR, to V. Ordaz, NRR., Re: NMSS interface with Morrison Knudsen. (1 page)
6.	08/30/99	E-mail from J. Monninger, NRR, to V. Ordaz, NRR, Re: NMSS interface with Morrison Knudsen. (1 page)
7.	09/15/99	E-mail from V. Ordaz to M. Stein, Re: MK Confirmatory Order (11 pages)
8.	09/20/99	E-mail from V. Ordaz to G. Cwalina and T. Quay, NRR, Re: MK Order (2 pages)
9.	09/24/99	Office of Enforcement Notification of Significant Enforcement Action: Morrison Knudsen Corp. Confirmatory order (Effective Immediately. (1 page)
10.	10/1/99	News Announcement RIII-99-42: NRC Staff Issues Confirmatory Order to Nuclear Contractor on Employee Concerns Program and "Safety Conscious" Environment. (2 pages)

fel

From: Michael Stein - OE
To: C. H. Weil CW
Date: Tue, Dec 8, 1998 8:14 AM
Subject: Citation to Policy statement

Chuck,

Jim mentioned a policy statement located at 61 FR 24336 published on 5/14/96 and also located in our Rules and Regulations 4 volume set at PS-AD-18. It is called Freedom of Employees in the Nuclear Industry to Raise Safety Concerns Without Fear of Retaliation; POLICY Statement.

Mike

CC: James Lieberman, Stanley Rothstein

F/1

re/

From: Michael Stein
To: James Lieberman
Date: Tue, Dec 8, 1998 8:11 AM
Subject: Fwd: Re: Request for OGC Assistance

Oh,

Stan seemed to think it was a Commission Paper. Now I know what you are addressing.

Since management needs to schedule this EC, I will leave it up to you and Jack Goldberg since I need to be involved in the pre-meet and caucus. My wife will thank you if I am gone only one night. I still think that face to face for a pre-meet and caucus is the most efficacious.

Mike

>>> James Lieberman 12/07 5:51 PM >>>

if it was me going, i would opt for jack's approach, with the conference in the afternoon and the following day. with the planning and caucuses by phone. the may 14th document ois the polict statement on freedom of employtees to raise concerns. it is also in the manual

>>> Michael Stein 12/07 4:29 PM >>>

Susan sent me this e-mail.

We are talking about very little time for face to face on this case.

If we fly out Tuesday early morning-Be in the Region Tuesday afternoon for pre-meet-Meet all day Wednesday-Caucus on Thursday fly home Thursday night and be back in the office dreary eyed for Friday morning.

Monday is a holiday and Friday is back at HQ and we don't need to caucus by telephone. We can get it all in in a 2 nighter vs the telephone/videoconference one nighter that Jack is contemplating since we use up a lot of travel time anyway. A one nighter in the Region is not being very time efficient.

I have a note from and spoke with Stan about a May 14, 1996 paper on control of contractors. Stan could not find the paper to be sent to Region III for inclusion in the letter. Can you clarify the existence of this document and I'll be happy to send it to the Region.

Mike

CC: Stanley Rothstein

F/2

2

From: Vonna Ordaz *NRR*
 To: Michael Stein *OE*
 Date: Fri, Aug 20, 1999 9:53 PM
 Subject: MK Confirmatory Order

Mike,

NRR concurs on the draft Confirmatory Order for Morrison Knudsen (MK) that you e-mailed to me. Although, based on a briefing to Sam Collins on the Order, we do have a couple of followup questions that we would like to understand before you send the final Order back for NRR concurrence next week.

- 1) What process takes place if MK does not comply with the confirmatory order? *After criminal process in cover letter*
- 2) Who will be doing the NRC followup work for the order, and what does it entail? *Region II will follow up Needs to be documented.*

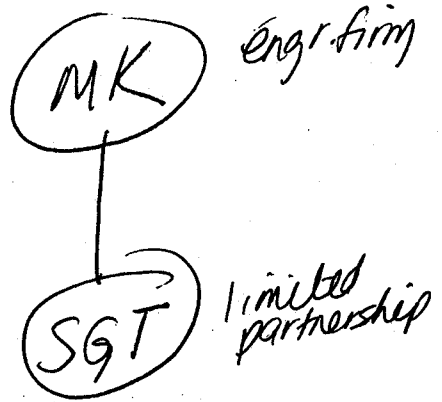
When you and I discussed these questions on Friday (8/20/99), you mentioned that you weren't absolutely sure of the answers since this was the first non-licensee order that you were aware of. Perhaps, Mr. Lieberman would recall some historical information in this area. Would you please ask him, and get back to John Monninger with the response. I will be out of the office from 8/23-27/99, and John Monninger will be filling in for me during this time.

Thank you,

Vonna

CC: John Monninger, William Kane

Temporary job sites



F/3

From: John Monninger *NRR*
To: Aby Mohseni *NMSS*
Date: Wed, Aug 25, 1999 10:44 AM
Subject: NMSS Interfaces with Morrison Knudsen

Aby,

The NRC is considering enforcement action against Morrison Knudsen (MK) to address employee protection and safety concerns resulting from work MK performed at power reactor licensees. This action has been coordinated with OGC, OE, NRR, and Region III.

We have several questions for you (NMSS) regarding this proposed action:

- 1) Qualitatively (large, small), to what extent does MK provide services to NMSS licensees? In other words, should we include NMSS on concurrence on the enforcement package, if it has the potential to impact contract support provided to NMSS licensees?
- 2) If MK provides services to NMSS licensees, could similar employee concern issues exist at these sites, such that the order should be more encompassing?
- 3) To what extent, does NMSS have knowledge of employee protection concerns regarding MK or previous enforcement actions in this area?
- 4) MK and British Nuclear Fuels recently purchased Westinghouse. To what extent do these companies provide support to NMSS licensee? In other words, should any NRC action taken affect more than just MK?

I spoke to Melanie Galloway (Fuel Cycle Division) regarding this subject, but thought that maybe a broader review may be needed (Waste Management, Fuel Cycle, Industrial and Medical, and Spent Fuel) to address NMSS duties and responsibilities.

Thanks for your assistance,
John Monninger
NRR/ADIP
x3495

CC: Melanie Galloway, William Kane

F/4

From: John Monninger *WRR*
To: Vonna Ordaz *WRR*
Date: Mon, Aug 30, 1999 1:58 PM
Subject: Re: Fwd: NMSS Interfaces with Morrison Knudsen

More on MK.

Do you think we should check with OE (Borchardt) to make sure the action is not issued, until we have time to discuss these issues with Bill Kane?

F/5

From: John Monninger *WRR*
To: Vonna Ordaz *WRR*
Date: Mon, Aug 30, 1999 1:59 PM
Subject: Re: Fwd: NMSS Interfaces with Morrison Knudsen

More, more on MK. I'll forward them as I get them.

F/4

From: Vonna Ordaz *NRR*
To: Michael Stein *OE*
Date: Wed, Sep 15, 1999 10:24 AM
Subject: Re: MK Confirmatory Order

Mike,

NRR concurs with comments on the MK Confirmatory Order. Most of the comments were minor editorial items. We also have a couple of clarifications, which include:

1) In certain parts of the Order that states "NRC", we would like to make sure it's clear that we are referring to the NRC Branch Chief for Quality Assurance, etc., and include the appropriate mailing address, so the consultants know where to send the information to.

2) Since MK is spread across both the reactor and materials areas, we would like to clarify the statement which mentions that the Order is for all MK and SGT temporary nuclear job sites and at the MK corporate headquarters to state, "all MK and SGT temporary nuclear reactor and materials job sites and at the MK corporate headquarters."

I will bring the marked-up version of the Order with NRR's comments to you. Please let me know if you have any questions on our comments.

Thank you,
Vonna

>>> Michael Stein 09/14 11:24 AM >>>

Thanks to Chuck Weil of Region III and Susan Chidakel of OGC, I have modified the MK Order for clarification.

Ordering clauses 1 and 2 do apply to all MK and SGT employees in corporate as well as temporary nuclear jobsites.

Footnote #1 explains that SGT does the steam generator changeout for MK and that SGT employees were involved in the discrimination against the GWE.

I changed some of the timing-Region III suggests six months so they need to do an assessment by March 2000-they need to tell us who their independent consultant is by the end of November 1999-they need to factor annual training into the 2000 calendar year and they need to tell us when their cultural assessments will begin.

The attached MK Order contains the Region III and OGC comments.

Thanks to all,

Mike

CC: Brent Clayton, Bruce Boger, Charles Weil, Denni...

F/7

Mail Envelope Properties (37DFAC0A.501 : 15 : 20496)

Subject: Re: MK Confirmatory Order
Creation Date: Wed, Sep 15, 1999 10:24 AM
From: Vonna Ordaz

Created By: OWFN_DO.OWF4_PO:VLO

Recipients	Action	Date & Time
Post Office CH_DO.ch_po CHW1 CC (Charles Weil) HBC CC (Brent Clayton)		
Post Office OWFN_DO.owf2_po BAB2 CC (Bruce Boger) FPG CC (Frank Gillespie) GCC CC (Gregory Cwalina) MHS (Michael Stein) RWB1 CC (Richard Borchardt) TRQ CC (Theodore Quay)		
Post Office OWFN_DO.owf4_po WFK CC (William Kane)	Delivered	09/15 10:24 AM
Post Office OWFN_DO.owf5_po DCD CC (Dennis Dambly) SSC CC (Susan Chidakel)		
Domain.Post Office	Delivered	Route
CH_DO.ch_po	Pending	CH_DO.ch_po
OWFN_DO.owf2_po	Pending	OWFN_DO.owf2_po
OWFN_DO.owf4_po	09/15 10:24 AM	OWFN_DO.owf4_po
OWFN_DO.owf5_po	Pending	OWFN_DO.owf5_po

Files	Size	Date & Time
MESSAGE AM	3214	Wednesday, September 15, 1999 10:24

Options

Auto Delete: No
Expiration Date: None
Notify Recipients: Yes
Priority: Standard
Reply Requested: No
Return Notification: None

NRR

EA 98-081

Mr. Thomas H. Zarges
President and CEO
Morrison Knudsen Corporation
MK Ferguson Plaza
1500 West Third Street
Cleveland, OH 44113-1406

SUBJECT: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)

Dear Mr. Zarges:

(SGT) The enclosed Confirmatory Order is being issued to Morrison Knudsen (MK) and its affiliate, SGT, LLC, in order to confirm certain commitments, as set forth in Section V of the Order, and to ensure that MK's process for addressing employee protection and safety concerns will be enhanced. In view of the Confirmatory Order, and your consent to these commitments described in Mr. Patrick Hickey's letter dated July 23, 1999, the NRC staff is exercising its enforcement discretion pursuant to Section VII B.6 of the NRC Enforcement Policy and will not issue a Notice of Violation or a civil penalty in this case. In addition, by correspondence dated August 9, 1999, MK and SGT, LLC, have consented to the issuance of the Confirmatory Order and waived their right to request a hearing on all or any part of the Confirmatory Order. X

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of this Order may also subject the person to civil monetary penalties.

Questions concerning this Order should be addressed to Mr. Michael Stein, Office of Enforcement, who can be reached at (301) 415-1688. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Sincerely,

Frank Miraglia
Deputy Executive Director
For Reactor Programs

Enclosure: Confirmatory Order (Effective Immediately)

cc w/enclosure: Patrick Hickey, Esq.
M. Reddemann, Site Vice President
Point Beach Nuclear Plant

In the Matter of
Morrison Knudsen
SGT, LLC

)
)
)
)

EA 98-081

CONFIRMATORY ORDER
(EFFECTIVE IMMEDIATELY)

I

Morrison Knudsen (MK) is a construction engineering firm with operation at multiple facilities licensed by the U.S. Nuclear Regulatory Commission (NRC or Commission). MK headquarters is located in Cleveland, Ohio. SGT, LLC (SGT) is an affiliate of MK involved in the steam generator replacement projects for MK.

reactor and material
x

II

On March 13, 1997, the NRC Office of Investigations (OI) initiated an investigation to determine if the former Corporate Group Welding Engineer (GWE) for MK had been discriminated against for raising safety concerns. In its report issued on February 6, 1998 (OI Case No. 3-97-013), OI concluded that there was sufficient evidence to substantiate that discrimination occurred. Specifically, OI concluded that the GWE's identification of deficiencies in welding procedures by MK and SGT employees at the Point Beach Nuclear Plant was at least a contributing factor in MK's decision to remove him from his position as MK Corporate GWE on January 15, 1997. In addition, in a decision issued on October 28, 1997, a Department of Labor (DOL) Administrative Law Judge (ALJ), in DOL Case No. 97-ERA-34, determined that the removal of the GWE was in retaliation for his engaging in protected activity. Subsequently, on May 21, 1998, the ALJ approved a settlement agreement between the GWE and MK.

On January 27, 1999, a predecisional enforcement conference was held between MK and the NRC staff to discuss the apparent violation of the NRC's employee protection requirements (10 CFR 50.7). MK retained the services of a law firm to perform an independent investigation.

MK submitted the report of this investigation and additional materials to the NRC for review in support of its position that the removal of the GWE was based upon legitimate performance considerations and not upon the GWE having engaged in protected activity. While MK and SGT do not agree that a violation of the Energy Reorganization Act, as amended, or the Commission's regulations occurred, in response to the DOL and OI findings, MK and SGT have agreed to take the actions as described in Section V of this Order.

III

MK, and its affiliate SGT,¹ have agreed to take certain actions to assess the work environment at their corporate headquarters and temporary nuclear ^{reactor and materials} job sites. Specifically, MK and SGT have committed to conduct a comprehensive cultural assessment to be performed by an independent consultant and to utilize the results of such an assessment to improve their employee concerns program and to implement a mandatory continuing training program for all supervisors and managers. The training program will have the objectives of reinforcing the importance of maintaining a safety conscious work environment and of assisting managers and supervisors in responding to employees who raise safety concerns in the workplace. MK and SGT agreed to include in such training the requirements of 10 CFR 50.7, including, but not limited to, the definition of protected activity and discrimination, and appropriate responses to the raising of safety concerns by employees. MK and SGT also agreed that such training will be conducted by an independent trainer with expertise in employee concerns programs and employee protection requirements in the nuclear industry. X

In addition, MK and SGT, also have committed to taking the following corrective action to ensure that employees feel free to raise safety concerns without fear of retaliation: (1) posting

¹SGT performs the steam generator replacement work for MK and SGT employees were involved in the discrimination against the MK Corporate Group Welding Engineer.

this Confirmatory Order and employee protection under the Energy Reorganization Act, as amended, Section 211, and NRC Form 3, at all MK and SGT temporary nuclear ^{reactor and materials} job sites and at the MK corporate headquarters in Cleveland, Ohio; (2) implementation of the recommendations to improve the MK and SGT employee concerns program as stated in the independent third party assessment; (3) periodic updates of an employee cultural survey developed by an independent contractor to ensure that MK and SGT employees feel free to raise safety concerns without fear of retaliation; and (4) the expansion of the current MK and SGT exit surveys to include safety conscious work environment issues and to conduct such surveys among its permanent and contract employees to ^{ensure} ~~assure itself~~ that such employees ^{feel} ~~are~~ free to raise safety concerns while employed by MK or SGT.

X

X

XX

IV

Since MK and SGT have committed to taking comprehensive corrective actions as set forth below, and since MK and SGT have committed to monitor the safety conscious work environment and to promote an atmosphere conducive to the raising of safety concerns by employees without fear of retaliation by implementing this Confirmatory Order, the NRC staff has determined that its concerns regarding employee protection at MK corporate headquarters and at MK and SGT temporary nuclear ^{reactor and materials} job sites can be resolved through ^{NRC's} confirmation of MK and SGT commitments as outlined in this Order. Accordingly, the staff is exercising its enforcement discretion pursuant to Section VII.B.6 of the NRC Enforcement Policy and will not issue a Notice of Violation or a civil penalty in this case.

X
X

X

By letter dated July 9, 1999, MK and SGT consented to issuance of this Order with the commitments described in Section V below. By letter dated August 9, 1999, MK and SGT consented to waive any right to a hearing on this Order. MK and SGT further consented to the Immediate Effectiveness of this Order.

I find that MK and SGT's commitments, as set forth in Section V below, are acceptable and necessary and conclude that with these commitments, the public health and safety are reasonably assured. In view of the foregoing, I have determined that public health and safety require that these commitments be confirmed by this Order. Based on the above, and MK and SGT's consent, this Order is immediately effective upon issuance.

X
X
X

V

Accordingly, pursuant to sections 103, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 C.F.R. 2.202 and 10 CFR Part 50, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT MORRISON KNUDSEN AND SGT, SHALL DO THE FOLLOWING:

X

LLC

1. MK and SGT shall hire an independent consultant to conduct audits, to review the MK and SGT Employees Concerns Program (ECP), and to conduct training for MK and SGT supervisors and managers as discussed below in Condition #2 of this Order. MK and SGT will hire this independent consultant with experience in ECPs to also conduct an independent evaluation of MK's and SGT's ECP to be completed by March, 2000. MK and SGT shall inform the NRC by November 1, 1999 as to the identity of its independent consultant. MK and SGT shall either implement the recommendations outlined by the consultant to ensure a safety conscious work environment exists at MK and SGT corporate and temporary nuclear job sites or explain to the NRC why it cannot implement such recommendations outlined by the consultant.

X
X
X

reactor and material

MK and SGT shall provide the report of recommendations of their independent consultant to the NRC and send all information to the NRC Branch Chief, QA, Vendor Inspection, Maintenance and Allegations Branch, Office of Nuclear Reactor Regulation at U.S. NRC 0-9A1 Washington DC 20555.

X
X
X

2. MK and SGT will conduct mandatory continuing training programs on an annual basis beginning in the year 2000 calendar year for all MK and SGT supervisors and managers at their calendar

calendar

reactor and materials

corporate and temporary nuclear job sites. All temporary craft and permanent MK and SGT employees shall receive initial employee protection training as part of their access program or orientation when they begin work at an MK or SGT job site. The independent consultant, as outlined in Condition #1 of this Order, will approve this training. The training program for supervisors and managers should be conducted by an independent trainer as approved by the independent consultant, if the consultant does not conduct such training, and include:

X

X

X

(A) Annual training on the requirements of 10 CFR 50.7, through at least the ^{calendar} year 2002,

X

including, but not limited to, what constitutes protected activity and what constitutes discrimination, and appropriate responses to the raising of safety concerns by employees. Such training shall stress the freedom of employees in the nuclear industry to raise safety concerns without fear of retaliation by their supervisors or managers.

(B) Scheduled training on building positive relationships and conflict resolution. The training program will have the objective of reinforcing the importance of maintaining a safety conscious work environment and assisting managers and supervisors in dealing with conflicts in the work place in the context of a safety conscious work environment at MK and SGT and at their temporary nuclear job sites.

X

reactor and materials

3. MK and SGT will integrate, into their overall program for enhancing the work environment and safety culture at their corporate headquarters and their temporary nuclear job sites, a cultural assessment survey (i.e. questionnaire), developed by the experienced independent consultant. The time frame for integration of cultural assessments into the ECP shall be submitted to the NRC by the MK and SGT independent consultant. MK and SGT agree to

XX

reactor and materials

X

X

conduct at least three additional annual assessments. These audits should be geared toward ensuring that employees are aware of the provisions of 10 CFR 50.7, are willing to come forward and report safety concerns when appropriate, and know how to implement the ECP,

(e.g. that the existence of the safety concerns hotline is well known to all employees), MK and SGT also agree to conduct audits at their temporary nuclear job sites soon after the initial

X

reactor and materials

X

staffing of the sites and periodically afterward, as warranted. Lastly, MK and SGT also agree to

XX

IRC Branch Chief for Quality Assurance at USNRC Wash DC

expand their exit survey to include safety conscious work environment issues and to conduct exit surveys of their permanent corporate employees and contract employees so as to assure itself that all employees feel free to raise safety concerns without fear of retaliation. The questionnaires, audits, surveys, and the resulting analysis reports of these ECP documents will be submitted to the NRC for review for a period of three years from the date of this Order by sending the materials to the NRC ^{contact} Office stated in Condition #1 of this Order. MK and SGT will provide to the NRC information pertaining to any later ^{follow up?} actions to address issues raised by the survey and audit results.

4. Following the issuance of this Confirmatory Order, MK and SGT will issue and post this Confirmatory Order, Section 211 of the Energy Reorganization Act, as amended, and NRC Form 3, to inform all of its employees of this Confirmatory Order, as well as their right to raise safety concerns to management and to the NRC without fear of retaliation. These publications shall also be posted at all temporary nuclear ^{reactor and materials} job sites and at the companies' corporate headquarters.

The Director, Office of Enforcement may relax or rescind, in writing, any of the above conditions upon a showing by MK of good cause.
^{and SGT?}

VI

Any person adversely affected by this Confirmatory Order, other than MK or SGT, may request a hearing within 20 days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. Any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN:

Chief, Rulemaking and Adjudications Staff, Washington, D.C. 20555. Copies of the hearing request shall also be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington D.C. 20555, to the Assistant General Counsel for Materials Litigation and Enforcement at the same address, to the Regional Administrator, NRC Region III, 801 Warrenville Road, Lisle, IL 60532-4351, and to MK and SGT. If such a person requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR.2.714(d).

If the hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order shall be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section V above shall be final 20 days from the date of this Order without further order or proceeding. If an extension of time requesting a hearing has been approved, the provisions specified in Section V shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR A HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Frank Miraglia
Deputy Executive Director
For Reactor Programs

Dated at Rockville, Maryland
this Day of September, 1999

Distribution
 NUDOCS
 PDR
 SECY
 CA
 WTravers, EDO
 FMiraglia, DEDR
 BBorchardt, OE
 JDyer, RIII
 BClayton, RIII
 SCollins, NRR
 DDambly, OGC
 Enforcement Coordinators
 RI, RII, RIV
 MStein, OE
 GCaputo, OI
 HBell, OIG
 EA File

OE	NRR	OGC	RIII	OE:D	DEDR
MStein	SCollins	DDambly	JDyer	RWBorchardt	FMiraglia
9/ /99	9/ /99	9/ /99	9/ /99	9/ /99	9/ /99

G: MKORD.WPD

From: Vonna Ordaz *NRR*
To: Gregory Cwalina, Theodore Quay *NRR*
Date: Mon, Sep 20, 1999 2:45 PM
Subject: MK Order

As you know, we (NRR) concurred on the Morrison Knudson/SGT Confirmatory Order last week. Bill Kane wanted me to make sure that your branch coordinates with the appropriate NMSS vendor groups when the followup items from the Order come to you for review.

Please let me know if you have any questions.

Thank you,

Vonna

CC: Bruce Boger

F/8

Mail Envelope Properties (37E680D7.501 : 15 : 20496)

Subject: MK Order
Creation Date: Mon, Sep 20, 1999 2:45 PM
From: Vonna Ordaz

Created By: OWFN_DO.OWF4_PO:VLO

Recipients	Action	Date & Time
Post Office OWFN_DO.owf2_po BAB2 CC (Bruce Boger) GCC (Gregory Cwalina) TRQ (Theodore Quay)	Delivered	09/20 2:45 PM

Domain.Post Office	Delivered	Route
OWFN_DO.owf2_po	09/20 2:45 PM	OWFN_DO.owf2_po

Files	Size	Date & Time
MESSAGE	1004	Monday, September 20, 1999 2:45 PM

Options

Auto Delete: No
Expiration Date: None
Notify Recipients: Yes
Priority: Standard
Reply Requested: No
Return Notification: None

Concealed Subject: No
Security: Standard

To Be Delivered: Immediate
Status Tracking: Delivered & Opened

9910060121

September 24, 1999
EN 99-031

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Individual: Morrison Knudsen Corporation (EA 99-081)
Cleveland, Ohio

Subject: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)

This is to inform the Commission that a Confirmatory Order (Effective Immediately) will be issued on September 24, 1999, to Morrison Knudsen Corporation (MK), a construction engineering firm which has activities at multiple reactor and nuclear materials facilities. This action is based on an NRC investigation which concluded that MK had discriminated against a Corporate Group Welding Engineer for raising safety concerns.

The Order requires, in part, that: (1) MK hire an independent consultant to conduct audits, to review MK's Employees Concerns Program, and to conduct training for supervisors and managers; (2) MK conduct mandatory continuing training programs on an annual basis beginning in the calendar year 2000 for all its supervisors and managers at their corporate and temporary nuclear reactor and materials job sites; (3) MK integrate, into its overall program for enhancing the work environment and safety culture at its corporate headquarters and its temporary nuclear reactor and materials job sites, a cultural assessment survey (i.e., questionnaire) developed by the consultant; and (4) following the issuance of this Order, Mk issue and post this Order, Section 211 of the Energy Reorganization Act, as amended, and NRC Form 3, to inform all of MK's employees of the Order, as well as their right to raise safety concerns to management and to the NRC without fear of retaliation.

The schedule of issuance and notification is:

Mailing of Order September 24, 1999
Telephone Notification of Individual September 24, 1999

Contacts: M. Stein, OE, (301) 415-1688 R. W. Borchardt, OE, 415-2741

Distribution:

OWFN _____	OWFN _____	TWFN _____	Regional Offices
Chairman Dicus	EDO	OC	RI ___ RIV ___
Comm. Diaz	DEDE	CIO	RII ___
Comm. McGaffigan	OE	OP CTR	RIII ___
Comm. Merrifield	OGC	NMSS	
SECY	NRR	ACRS	<u>MAIL</u>
OCA	OI	OIG	NUDOCS
PA	SP	RES	PUBLIC
IP			
SECY			

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**

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U.S. NUCLEAR REGULATORY COMMISSION
Region III Office of Public Affairs
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October 1, 1999

**NRC STAFF ISSUES CONFIRMATORY ORDER TO NUCLEAR CONTRACTOR
ON EMPLOYEE CONCERNS PROGRAM AND "SAFETY CONSCIOUS" ENVIRONMENT**

The Nuclear Regulatory Commission staff has issued a confirmatory order to Morrison Knudsen Corporation of Cleveland, Ohio, on the company's agreement to take corrective actions to ensure that its employees feel free to raise safety concerns without fear of retaliation.

Morrison Knudsen and its affiliate, SGT LLC., are construction engineering firms with operations at a number of nuclear power plants and nuclear materials facilities regulated by the NRC.

The corrective actions are in response to the findings of an NRC investigation and a Department of Labor proceeding which found that a Morrison Knudsen employee had been discriminated against in 1997 for raising safety concerns while working at the Point Beach Nuclear Power Station in Wisconsin.

The NRC Office of Investigations determined that the employee's identification of deficiencies in welding procedures by Morrison Knudsen and SGT employees was at least a contributing factor in the company's decision to remove him from his engineering position in January 1997. A Department of Labor Administrative Law Judge ruled in October 1997 that the removal of the employee was in retaliation for his raising the safety concerns. The judge subsequently approved a settlement between the employee and Morrison Knudsen.

Federal statutes and NRC regulations prohibit employers at facilities licensed by the NRC from discriminating against employees who raise safety concerns.

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The confirmatory order includes Morrison Knudsen's commitments to to hire an independent consultant to review the company's employee concerns program and to put into effect the recommendations of the consultant for improvements. If it does not implement a recommendation, Morrison Knudsen must explain to the NRC why it cannot do so.

The company will also set up a mandatory continuing training program for all managers and supervisors on how to maintain a safety conscious work environment and respond to employees who raise safety concerns. The training will be performed by the consultant or by an experienced and independent training organization.

The NRC staff has determined that its concerns regarding employee protection at Morrison Knudsen's headquarters and at temporary job sites at nuclear facilities can be resolved through the NRC's confirmation of the commitments made by the company. As a result, there will be no Notice of Violation or fine issued in the case.

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