

Assembly

MINUTES OF MEETING OF COMMITTEE ON STATE, COUNTY, AND CITY AFFAIRS
54TH NEVADA ASSEMBLY SESSION - MARCH 31, 1967

Present: Hilbrecht, Garfinkle, Dini, Smith, Roy Young, Bryan Hafen,
McKissick, Wooster

Absent: Tyson

Chairman Hilbrecht opened the meeting by introducing Assemblyman Mel Close who had asked to be heard in support of AB 298 a bill which would regulate and license private detectives, repossessioners, private patrolmen, and polygraph operators.

Mr. Close explained to the committee that he had had amendments to the bill drawn which would delete reference to insurance adjusters and delete the section calling for a paid secretary. At the present time there is no control over these people and when it is considered how vital their work can be to an individual citizen it is desirable that some controls be established. A polygraph operator, for instance, can be the most important person in a criminal trial. The board that would be established would be a self sustaining one calling for no costs to the State. The bill has been drawn in accordance with similar legislation in the State of California but it is less restrictive than the California law. There are only about 60 licensed detectives in Nevada and there are probably less than half a dozen polygraph operators. An out-of-state licensee would have to work through a local licensee and responsibility would be fixed.

Mr. Don Brown, Chief of the State Highway Patrol, supported Mr. Close's presentation and in answer to questions from committee members confirmed that the license fees would be increased and would be sufficient to support the licensing board.

Both Mr. Close and Mr. Brown were thanked for their presentation and excused from the meeting.

Chairman Hilbrecht then introduced Assemblyman Marvin L. White on behalf of A.J.R. 25 which would memorialize the Congress to take affirmative action for the protection of workmen employed on atomic testing and research sites in Nevada.

Mr. White told the committee that the resolution had been requested of the Clark County delegation by some of the workmen involved. He stated that the resolution, as drawn, was not as desirably worded as wished but that in deference to the time element it was submitted for consideration of the committee. Mr. White stated he had submitted to Mr. Hilbrecht a brochure in support of the resolution. The brochure consists of the following:

- Section I - General Safety Information and Experience on the Nevada Test Site
- Section II - Nevada Industrial Commission Workmen's Compensation Rates
- Section III - History of the Atomic Energy Commission's Relationship with Safety Representatives of the Nevada Industrial Commission and the Office State Inspector of Mines.

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- Section IV - Attorney General's Opinion
- Section V - Standard Government Contract Language Pertaining to Workmen's Compensation and Insurance
- Section VI - Information on the Nuclear Industry Safety Record
- Section VII - Statutory Assignments of Responsibility for Industrial and Nuclear Safety
- Section VIII - AEC - State Agreements on State Assumption of Responsibility for Nuclear Safety
- Section IX - Atomic Energy Commission Task Force on Revision of Workmen's Compensation Laws
- Section X - Description of Medical Services and Facilities at the Nevada Test Site
- Section XI - Ex-Medical Agreements
- Section XII - Current Agreement between the AEC and the NIC.

It has been represented that many grievances over the safety practices at the test site have not been acted upon particularly in the underground areas. Mr. White stated that the State should have more authority in enforcing safety regulations. Presently the State can only make recommendations but cannot enforce them.

Mr. B..W. Menke, Assistant Manager for Administration, Nevada Operations Office, United States Atomic Energy Commission, was introduced to the committee. He submitted a letter outlining the protests to the resolution and stating the salient points refuting the allegations of the resolution. Copies were provided to all the committee members. He stated that his agency enjoyed excellent relations with the Nevada Industrial Commission and the Office of the Inspector of Mines and that he had no knowledge of any of their recommendations that had not been complied with.

Mr. H. A. Spavin, Chief of the Industrial Safety Program for the AEC supported Mr. Menke's presentation and was asked to indicate whether any labor-management disputes had resulted from the safety program. He said that about two years ago there was a work stoppage based on alleged safety problems and that it was resolved in a short period of time and there has not been any such disputes since that time. He commented on the allegation that employees return to work before they are physically qualified. Under no circumstances is this the case. When injuries occur an employee does not return to work until given the medical evidence that his condition warrants his ability to return to work. Also an employee has recourse to the Nevada Industrial Counsel Medical Review Board.

Mr. John Jewitt on behalf of the Nuclear Rocket Development also located on the test site said he had prepared a letter protesting the resolution that would be mailed to the committee. He read the letter to the committee and copies will be provided as soon as received.

Mr. J. R. Crockett, General Manager of the Reynolds Electrical & Engineering Co., Inc., one of the principal contractors working under the AEC at the test site submitted copies of his firm's position in support of Mr. Menke's presentation.

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Mr. Clarence Heckethorn, Chairman of the Nevada Industrial Commission stated that his agency enjoyed excellent relationship with the AEC and that to his knowledge all of the agency's recommendations with regard to safety were followed up and acted upon by the AEC.

Mr. Keith Mount Commissioner for Employers of the NIC also affirmed this presentation and presented his letter to the committee. He said that never to his knowledge was there an instance when recommendations were not carried out within a reasonable time.

Assemblyman Dini asked Mr. White what the source of the resolution was. Mr. White answered that a group of people working at the test site had requested it.

Chairman Hilbrecht asked that the hearing be continued until Monday and that Mr. White have people appear in support of the resolution. Also it was requested that the Inspector of Mines office be represented.

Mr. McKissick stated that Mr. Tom Cooke had asked that the committee introduce BDR 54-1549 which establishes additional grounds for suspending, revoking or refusing to renew contractor's licenses. It was agreed to introduce the bill.

Mr. Dini outlined to the committee the intent of AB 513 which would change the boundary line between Douglas and Lyon Counties and has been agreed upon by the counties.

McKissick moved Do Pass AB 513.
Smith seconded.
Motion unanimously passed.

Meeting adjourned.

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UNITED STATES
ATOMIC ENERGY COMMISSION
NEVADA OPERATIONS OFFICE
P.O. BOX 1676
LAS VEGAS, NEVADA 89101

IN REPLY REFER TO:

MAR 30 1967

Hon. Norman Hilbrecht
Chairman, State, County
and City Affairs Committee
The State Assembly
Carson City, Nevada

Dear Mr. Hilbrecht:

I am writing you with respect to Assembly Joint Resolution No. 25 which has been brought to our attention and which we understand has been referred to your Committee.

Certain statements in the "Whereas" clauses of Resolution No. AJR-25 are of concern to us because they deal with activities of the U. S. Atomic Energy Commission and its contractors and the statements are inaccurate. Further, the Resolution implies that the U. S. Atomic Energy Commission and its Nevada contractors have condoned hazardous conditions and inadequate safety measures. This implication is grossly erroneous.

The record on safety experience by AEC contractors in Nevada; the National Safety Awards received by Nevada AEC contractors; the extent to which the AEC has assumed liability for litigation and industrial injury claims by employees of its Nevada contractors; and the AEC Nevada contractors' Workmen's Compensation Insurance rates which reflect their accident and claims experience all refute the statements and the implication on which the Resolution No. AJR-25 is apparently based. A brief summary of salient information with respect to these matters is attached.

Hon. Norman Hilbrecht

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The Nevada Operations Office of the Atomic Energy Commission and its contractors enjoy excellent cooperative relationships with the Nevada Industrial Commission and the Nevada Office of the Inspector of Mines. We suggest, however, that this can best be verified by representatives of the Industrial Commission and the Inspector of Mines.

Please be assured of our desire to cooperate with the Legislature as well as with all of the agencies of the State in the interest of safety.

Sincerely yours,

Original Signed By
B. W. MENKE

B. W. Menke
Assistant Manager
for Administration

Enclosure:
Background Summary

SUMMARY OF SALIENT POINTS

1. SAFETY EXPERIENCE

- a. Reynolds Electrical & Engineering Co., Inc. is used as the example in the following comparison because it employs the largest number of people at the Nevada Test Site and conducts the greatest variety of activities, including those which are most hazardous.

COMPARABLE INDUSTRY FREQUENCY RATES* - NSC/REECO

<u>Industry</u>	<u>Latest Available Nat'l. Safety Council Average</u>	<u>REECO/1966</u>
Mining, Underground, Except Coal	31.21	12.15
Drilling	45.23	9.38
Storage & Warehousing	5.37	2.20
Communications	1.19	0
Heavy Construction	28.44	4.86

- b. The following table compares frequency rates* of major contractors on the Nevada Test Site and those of the National Safety Council averages of all major industries for the past five years.

COMPARABLE FREQUENCY RATES* FOR AEC-NVOO CONTRACTORS AND NSC FOR PREVIOUS FIVE YEARS

<u>Year</u>	<u>REECO</u>	<u>EG&G</u>	<u>H&N</u>	<u>F&S</u>	<u>PAN AM</u>	<u>LRL-N</u>	<u>Total NVOO</u>	<u>All Major Industries (NSC)</u>
1962	7.35	2.50	0	-	-	6.00	5.63	6.19
1963	4.85	1.20	3.59	-	0	4.15	3.81	6.12
1964	8.78	.98	3.27	23.24	12.70	5.60	6.03	6.45
1965	3.43	0	2.62	3.58	0	0	3.15	6.53
1966	4.86	0	0	0	3.40	0	3.04	Not Available

* Frequency rate - Disabling injuries per million man-hours worked.

2. MAJOR SAFETY AWARDS EARNED BY NEVADA AEC-CONTRACTORS

EG&G, INC. Las Vegas, Nevada

AWARD OF MERIT (3 times) (1,100,000+ manhours w/o disabling injury).
1963 - 1964 - 1965

AWARD OF HONOR - 1966 (3,650,000+ manhours w/o disabling injury).

AWARD OF HONOR - 1967 (7,220,261 manhours w/o disabling injury).
*Eligible at this time but not yet received).

REYNOLDS ELECTRICAL & ENGINEERING CO., INC.

AWARD OF MERIT - 1963 (1,119,748 manhours w/o disabling injury).

NATIONAL SAFETY COUNCIL AWARD OF HONOR - 1965. (Also eligible for 1966).

PAN AMERICAN AIRWAYS INC. - NRDS

AWARD OF MERIT - 1965

WACKENHUT SERVICES, INC.

AWARD OF MERIT - 1966 (505,775 manhours w/o disabling injury).

DOWELL DIVISION OF DOW CHEMICAL CO.

AWARD OF MERIT - 1966 (First Lump-Sum contractor) (175,000 manhours)

FEDERAL SERVICES, INC.

AWARD OF MERIT - 1963 (650,000 manhours w/o disabling injury)

HOLMES & NARVER, INC.

AWARD OF HONOR - 1966(1,389,934 manhours w/o disabling injury)

AWARD OF MERIT - 1967 (542,464 " " " " " ") (Eligible)

LAS VEGAS-TONOPAH-RENO STAGE LINE

AWARD OF HONOR - 1966 (Operated 12.8 million accident-free miles)

The AEC and its contractors received the National Safety Council's Award of Honor six times since 1955, and earned the President's Safety Award four times in recent years.

3. WORKMEN'S COMPENSATION ARRANGEMENTS

- a. The AEC and the Nevada Industrial Commission have an agreement that completely indemnifies the NIC against payment for injuries or illness caused by radiation.
- b. Separate Ex-Medical Agreements are negotiated by the Nevada Industrial Commission with each qualified participating contractor on the Nevada Test Site. Each employer under such agreements reimburses Reynolds Electrical and Engineering Co., Inc. for medical services provided by them (REECo) and are not charged to the NIC.

4. WORKMEN'S COMPENSATION RATES

- a. The following rate analysis shows the full compensation rates for industry classifications 9500-Nuclear Research and Development, and 8800-Atomic Development that are applied to the major Nevada AEC contractors are considerably lower than other industry classifications employing labor similar to that employed at the Nevada Test Site.

NEVADA INDUSTRIAL COMMISSION FULL WORKMEN'S COMPENSATION RATES - 1967

<u>Class Number</u>	<u>Industry Classification</u>	<u>Full Compensation Rate</u>
1100	Underground Mining	\$7.70
8100	Building Construction	1.52
8000	General Contractors, Heavy	2.18
8800	Atomic Development	.35
9500	Nuclear Research	.91

- b. For the most recent experience rating period, 1963-1965, Reynolds Electrical & Engineering Co., Inc. premium payments into the Nevada Industrial Commission insurance fund amounted to approximately \$162,371 in excess of claims and administrative expenses incurred during this period.

NEVADA INDUSTRIAL COMMISSION

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JAMES J. BANNER
COMMISSIONER REPRESENTING LABOR
KEITH MOUNT
COMMISSIONER REPRESENTING INDUSTRY



ADDRESS ALL CORRESPONDENCE TO
NEVADA INDUSTRIAL COMMISSION

Carson City, Nv 89701
March 30, 1967

REPLY TO

Assemblyman Norman T. Hilbrecht
Chairman, State, County and City Affairs Committee
Nevada State Assembly
Carson City, Nevada

Mr. Chairman and members of the Committee:

As a Commissioner of the Nevada Industrial Commission, I heartily disagree with the wording in some sections of AJR 25. Lines 9 to 15, in my estimation, are misleading and not a true statement of facts.

There are 40 full-time safety inspectors, 7 industrial hygienists, 3 sanitation engineers, plus 89 medical people employed at the Test Site. To my knowledge, there has never been an instance where our safety inspectors have made recommendations that were not carried out within a reasonable time.

I am sure the overwhelming majority of workers and management concerned will agree there is an awareness of the problem.

It is increasingly clear that every means is being used to overcome any unsafe conditions that do exist. Relations between management, the NIC, and most of the employees at the Test Site has been, and now is, excellent.

Very truly yours,

Keith Mount
Commissioner For Employers

KM:ea



STATEMENT OF POSITION OF REYNOLDS ELECTRICAL &
ENGINEERING CO., INC. - RELATIVE TO A.J.R. #25

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Reynolds Electrical and Engineering Co., Inc., (REECO) is the prime operating contractor for the U. S. Atomic Energy Commission at the Nevada Test Site. Total present employment is approximately 4650 dispersed as follows: Las Vegas, 350; NTS, 4227; Tonopah Test Range, 56; Hattiesburg, Mississippi, 16; Carlsbad, New Mexico, 1.

REECO is strongly opposed to Assembly Joint Resolution No. 25. We are firmly convinced that our present method of operation as pertains to the protection and treatment of our employees at the Nevada Test Site is most favorable to the individual workman and is also advantageous to the tax payers of the State of Nevada.

Presently, safety inspections are made by representatives of the Nevada Industrial Commission, the State Mining Inspector, the U. S. Bureau of Mines, safety representatives of the U. S. Atomic Energy Commission, and representatives of the REECO Safety Department. Each recommendation is given the utmost consideration, regardless of the agency making the inspection and prompt steps are taken to correct any condition which might affect life, limb or property.

REECO, as any other employer of the state, complies with the state laws by paying into the trust fund of the Nevada Industrial Commission appropriate monies as prescribed by the NIC.

Our safety policy is principally directed toward prevention. Recognizing that there will always be accidents where people, equipment and movement is involved we also concentrate heavily on early treatment of the injured to lessen the suffering and reduce the amount of time and compensation an employee would lose while off the job.

ACCIDENT PREVENTION - To implement, develop and guide our policy of accident prevention we presently have a staff of 25 employees. This department,

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working under the direction of our Director of Safety is comprised of four main sections: (a) Records and Analysis Section; (b) Industrial Safety Section; (c) Fleet Safety Section; and (d) Safety Education Section. Included in this department are nine (9) safety engineers and eight (8) safety inspectors. Safety responsibility is vested in each supervisor; the safety staff assists and counsels each supervisor and develops programs pertinent to each of the many and diversified activities.

Evidence of the effectiveness of our safety program is supported by an attachment titled REECo Accident Review - 1966. Your attention is respectfully invited to a comparison of our lost time injury rates compared to the national average rates for comparable industries.

In the event of an accident we have an extensive and comprehensive Medical Facility known as our Occupational Medicine Department. In this department we have seven (7) physicians or surgeons and expect to add two more to this staff in the next few months. First aid facilities manned by well-trained first aid men are located near each center of field activity. Each has a radio-equipped ambulance and capable of response time, equal to any metropolitan area. In addition to the doctors we have several nurses, first-aid men, technicians, and pharmacists, whose principal mission is the care and treatment of occupational injuries.

From the above, it is obvious that a great number of people are employed at the Nevada Test Site whose principal role is to prevent accidents and care for the sick or injured and to assure his prompt return to the payroll. This is advantageous to the individual since this compensation while in work status is considerably more than any compensation he would receive while recuperating. Further, the compensation is made by the Company, with federal


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funds and not from the trust funds of the State of Nevada.

An attachment is appended showing the amount of funds for fiscal year 1967 which we estimate will be expended as a result of our safety and medical program. You will kindly note that the major portion of this expenditure is dedicated to accident prevention and prompt medical treatment of both minor and major injuries.

It is our opinion that if REECO were required to withdraw from participation in the NIC it could adversely affect the operating budget of the NIC and perhaps create a hardship ^{on} ~~in~~ other employees ^{ers} of the state.



J. R. Crockett
Vice-President - General Manager
NTS Operations
Reynolds Electrical & Engineering
Co., Inc.

REECO ACCIDENT REVIEW-1966

TOTAL INJURIES frequency per million man-hours worked is 6 percent below 1965, 12 percent below 1964. More significant is the apparent breakthrough in the last four months of 1966, to a reduction of 30 percent under the 1964 level (More inside on this) REPORTABLE (\$50) VEHICLE ACCIDENTS per million miles are down 32% from 1965, 50% from 1964

INDUSTRIAL ACCIDENTS PROPERTY DAMAGE is 61 percent under 1965, 71 percent under 1964. 1966 produced the first reliable annual figures on the SERIOUS INJURY INDEX, a new and broader-based measure of accident prevention results; and the year ended on a downward trend DISABLING (Lost-Time) INJURIES were slightly above 1965, 45 percent below 1964.

THIS REVIEW covers the immediate period November 14 through December 31, and the entire year January 1 through December 31:	This Period	Year Ending 1965	Year Ending 1966
<u>TOTAL WORK INJURIES</u>	193	2459	2380
Frequency per million man-hours worked	161.1	228.2	214.4
<u>DISABLING (Lost-time) WORK INJURIES</u>	6	37	54
Frequency Rate per million man-hours worked	5.01	3.43	4.86
Severity Rate -- days lost per million man-hours worked . .	310	1357	1476
<u>SERIOUS INJURIES (Explanation and table on Page 4)</u>	53	701	773
Serious Injury Index -- Rate per million man-hours worked .	53.9	65.73	69.64
<u>VEHICLE ACCIDENTS:</u> Reportable (\$50 or more damage)	6	81	62
Frequency per million vehicle-miles	6.47	4.21	2.84
Total (per American Standards Association)	11	132	95
Frequency per million vehicle-miles	11.86	8.43	4.35
<u>INDUSTRIAL ACCIDENTS PROPERTY DAMAGE (Thousands)</u>	\$.7	\$105.9	\$41.4

REECO WORK INJURY EXPERIENCE IS AMONG THE NATION'S LOWEST in the "high-hazard" categories characteristic of NTS operations. Comparisons between REECO Lost-Time injury rates for 1966 and the average rates of firms reporting to the National Safety Council, 1963-65:

<u>MINING, UNDERGROUND, EXCEPT COAL:</u> National Safety Council reporters	31.21
REECO - Field Operations Department (DOD)	12.15
<u>DRILLING:</u> National Safety Council reporters	45.23
REECO - Field Operations Department (LASL)	8.31
REECO - Field Operations Department (LRL)	10.45
<u>HEAVY CONSTRUCTION:</u> National Safety Council reporters	28.44
REECO - Total Nevada Test Site operations	4.86

THE NATIONAL SAFETY COUNCIL AWARD OF HONOR - "The Nation's Highest Industrial Safety Award" - was received by REECO for its 1965 safety performance. It is expected also for 1966, assuming the award basis to be the same.

REECO'S SAFETY PROGRAM IS SAVING MONEY. Accepted methods of rough-estimating reflect a Company saving of \$534,500 in 1966 under the 1964 experience -- comprised of \$99,500 reduction in industrial accidents property damage; \$36,500 in vehicle damages prevented (accidents \$50 and over only); \$398,500 in costs reduced through injuries prevented. Wages saved through injuries prevented are estimated at \$248,089, making total savings over 3/4 million dollars.

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FISCAL YEAR 1967 COSTS
Medical, Safety, Industrial Hygiene
Based on Actual Costs Through February, 1967

	<u>Costs Through February</u>	<u>Estimated Costs Mar. - June</u>	<u>Total Costs FY 1967</u>
Medical Services ⁽¹⁾	\$ 750,350.85	\$ 420,019.38	\$ 1,170,370.23
Industrial Safety	252,004.71	136,764.36	388,769.07
Industrial Hygiene	92,307.97	46,377.00	138,684.97
NIC Premiums	<u>127,580.11</u>	<u>59,061.42</u>	<u>186,641.53</u>
TOTALS	\$ 1,222,243.64	662,222.16	1,884,465.80

Note (1) Does not include costs for Industrial Hygiene, REECO Industrial Claims Office and Sanitation Operation