

Assembly

OUTLINE OF HEARING CONTINUED ON A.J.R. 25, COMMITTEE ON STATE, COUNTY AND CITY AFFAIRS, 54TH NEVADA ASSEMBLY SESSION - APRIL 4, 1967

155

Chairman Hilbrecht preceded the hearing by announcing to the committee that the Wednesday, April 5 agenda would include consideration of AB 470 concerning the State Contractor's Board and AB 497, the Lake Adair bill.

Also Assemblyman Bowler who was present was asked to explain AB 516 to the committee. Mr. Bowler said that the bill would provide for the State Athletic Commission membership to be decreased to five instead of nine members and that it would set up an insurance fund. He stated the bill had been requested by the Governor.

Chairman Hilbrecht then welcomed those who had appeared to be heard on A.J.R. 25. He introduced the committee members to them as follows: Mr. McKissick, Mr. Joe Dini, Mr. Bryan Hafen, Mr. Clinton Wooster, and Mr. Hal Smith.

Mr. James Banner, Commissioner, Nevada Industrial Commission:

Mr. Banner stated that he had read the resolution and from his position he hardly knew what transpires in the area complained of at the Atomic Energy site. He had records of two fatal accidents on the site in 1966. He showed the committee the forms on which the accidents are reported to the Commission and it was indicated that the forms contain practically no detail and are not received until after a considerable time lapse. He referred to the Attorney General's ruling that surrendered jurisdiction over. He stated that the Reynolds Electrical and Engineering Co., one of the primary contractors on the site, experienced over 2,000 reportable accidents that had not been reported to the Commission as such. What reports that were available to the Industrial Safety Commission indicated was that the two fatal accidents were due in one instance to poor illumination and in the other to the conveyance of inflammable gasoline in a seemingly unsafe manner.

Mr. James M. Arnold, Southern Nevada Central Labor Council:

Mr. Arnold stated that from the records of his organization they concur with the resolution in A.J.R. 25. In conferring with engineering and construction workers at the test site, he had concluded that many corrections need to be made in the safety program.

Mr. Ted Lawson, Secretary-Treasurer, Southern Nevada Central Labor Council:

Mr. Lawson stated that under the present system at the site, the safety inspections are conducted by the primary contractors, i.e., Reynolds. He stated that unless an inspection system is established that would bring in disinterested but competent inspectors, the system was subject to preferential deference to the contractors. He said he knew of recommendations made over two years ago that have not been acted upon. He detailed instances of unsafe procedures involving poor ventilation, transportation to the work site, lack of escape chambers.

Mr. Marvin Gallagher, State Inspector of Mines:

Mr. Gallagher reiterated the lack of jurisdiction that prevented any enforcement of inspections. He stated that at the request of the mining men his office did perform these inspections at the test site about twice a year. He told the committee, however, that the operations at the test

April 4, 1967

Assembly Committee on State, County, and City Affairs

site were peculiar to that operation and had little in common with the mining industry as a whole. He stated that the reporting on loss of time injuries could be improved. In answer to a question from Mr. Lawson suggesting that an additional escape shaft would make for safer operations, Mr. Gallagher stated that without a doubt it would. He amended however that a full study of the feasibility of such shafts may indicate an impracticable condition.

Mr. B. W. Menke, U.S. Atomic Energy Commission Operations Office, Nevada:

Mr. Menke said he had had an opportunity to confer with Mr. Gallagher and that a better reporting procedure could be created. With respect to jurisdiction he stated that the Commission does not stand on jurisdiction along. It is for everyone involved to participate in and make contributions to a working safety program.

Mr. Crockett of the Reynolds Electrical and Engineering Company rebutted some of the presentations that had been made. Both Mr. Menke, Mr. Crockett and Mr. Lou Paley submitted letters and documentation which are a part of records of the hearing.

156

The following persons appeared before the Committee on State, County and City Affairs in opposition to or support of A.J.R. 25.

- Mr. B. W. Menke, Assistant Manager for Administration
U.S. Atomic Energy Commission
- Mr. John P. Jewett, Acting Chief, Space Nuclear Propulsion Office
- J. R. (Dave) Crockett, Reynold Electrical & Engineering Co.
- John F. Elmgren, EG&G
- C. A. Heckethorn, Nevada Industrial Commission
- Keith Mount, Nevada Industrial Commission

Theodore R. Lawson, Secretary-Treasurer, Southern Nevada Central Labor Council

- James Arnold, Building Trades Representative, Southern Nevada
- James Banner, N.I.C. Commissioner
- Lou Paley, Nevada AFL-CIO
- Merle Snider, Reno Musicians AFL-CIO
- Mervin Gallagher, State Inspector of Mines
- J. D. Hill Reynolds Electrical & Engineering Co.
- R. W. Kiehn, Reynold Electrical & Engineering Co.
- T. O. Fleming, Atomic Energy Commission
- George Weisser, Space Nuclear Propulsion Office
- T. L. Hutchings, Reynold Electrical & Engineering Co.

Addresses: Space Nuclear Propulsion Office
Nevada Extension, P.O. Box 1
Jackass Flats, Nevada 89026

U.S. Atomic Energy Commission
Nevada Operations Office
P.O. Box 1676
Las Vegas, Nevada 89101

UNITED STATES
ATOMIC ENERGY COMMISSION

NEVADA OPERATIONS OFFICE
P.O. BOX 1676
LAS VEGAS, NEVADA 89101

IN REPLY REFER TO:

APR 3 1967

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

Dear Mr. Hilbrecht:

In accordance with the request of the Committee at the hearing concerning AJR No. 25 on March 31 there are enclosed the following:

- a. Comparative data relating to Nevada Workmen's Compensation Laws and the Federal Employees' Compensation Act.
- b. A summary of Federal Employees' Compensation Act Amendments of 1966, together with a copy of the manual stating the text of Federal Employees' Compensation Act and related regulations concerning administration and appeals.
- c. Comparative data on wage rates paid in the southern Nevada area to federal employees and contractor employees.
- d. A statement prepared by our Counsel concerning the applicability of Federal Employees' Compensation Act.

The comparative data relating to Nevada Workmen's Compensation laws and the Federal Employees' Compensation Act do not take into account those changes which have been made since January 1, 1966. Since the comparison and interpretation of the effect of the changes is a specialized field in which the Nevada Industrial Commission possesses competence, the Committee may desire to call on that Agency for any further interpretation or comparison desired.

APR 8 1967

159

Upon reflection it occurred to me that I may not have been completely responsive to the intent of one of the questions raised Friday. In order to assure that there is no misunderstanding, I would like to call your attention again to the provisions of the Agreement between the United States of America, represented by the U. S. Atomic Energy Commission, and the Nevada Industrial Commission under which the AEC agreed to pay for compensation and medical benefits related to radiation injuries incurred by employees working in the performance of AEC contracts or subcontracts. Under the provisions of that Agreement the Nevada Industrial Commission determines whether the radiation harm claimed is compensatory in accordance with the provisions of the Nevada Act and the rules and regulations of the NIC. The NIC also performs the normal administrative activities and makes the compensation and medical benefit payments and submits a billing covering such payments plus a percentage to represent reimbursement for estimated administrative expenses. The AEC agrees to reimburse the NIC. This further explanation is offered because I became concerned that some members of the Committee might have gained the impression that disability compensation and medical benefits in these cases would be paid under the provisions of the Federal Employees' Compensation Act which is not the case.

There is also enclosed a brief statement reporting chronology of events in connection with a fatal accident to which reference was made in the course of March 31 hearing.

Please be assured of our desire to assist you within the limits of our ability.

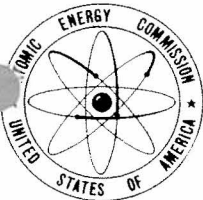
Sincerely yours,



B. W. Menke
Assistant Manager
for Administration

Enclosures:

1. Comparative Data - Nevada Workmen's
Comp. Laws & Fed. Employees' Comp. Act.
2. Summary of Amendments, w/copy of manual
3. Comparative data - Wage Rates
4. Statement - applicability of Fed.
Employees' Compensation Act.
5. Statement re fatal accident



SPACE NUCLEAR PROPULSION OFFICE
NEVADA EXTENSION
NUCLEAR ROCKET DEVELOPMENT STATION
P. O. BOX 1
JACKASS FLATS, NEVADA 89026



March 31, 1967

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

Dear Mr. Hilbrecht:

On behalf of the Nevada extension of the Space Nuclear Propulsion Office (SNPO), I would like to express my appreciation for the opportunity to comment on Assembly Joint Resolution No. 25 as it may relate to the Nuclear Rocket Development Station (NRDS).

The NRDS is located within the confines of the Nevada Test Site but is a separate and distinct facility. The work at NRDS encompasses only the research and development activities connected with the testing of reactors, nuclear engines and eventually complete nuclear propulsion systems. This work is under the cognizance of the SNPO, a joint government office made up of National Aeronautics and Space Administration and Atomic Energy Commission personnel. SNPO has safety responsibility for the activities at NRDS and its safety cognizance covers the following major contractors: Pan American, Catalytic Construction Company, Aerojet General, Westinghouse Astronuclear Laboratory, EG & G and the Los Alamos Scientific Laboratory.

Nuclear reactors and engines are developed off-site but tested at NRDS. Our present employment runs approximately 1700 employees: Pan American, 540; Catalytic, 30; Aerojet, 340; Westinghouse, 170; EG & G, 220; and SNPO, 56. The remainder of the people are made up of other government agencies, culinary and first aid, and fire department workers from REECO and a small number of construction employees.

The safety staff of SNPO and of the various contractors on our site have maintained a close and friendly relationship with the safety inspectors of the Nevada Industrial Commission. These inspectors have made periodic visits to our

site and to our knowledge have never been restricted. Further, these contractors have looked upon the NIC inspectors as safety consultants and their suggestions have always been implemented in our working procedures.

Mr. Joseph Parrulli, NIC Safety Supervisor, and inspectors William Walsh, Burd Rohde and J. Arnoldsen should be able to attest to the cooperation they have received from SNPO contractors. Pan American, specifically, invites and depends upon NIC inspectors to make a yearly inspection of their elevators, boilers and high-pressure vessels. If any inadequacies have been found they were rectified as soon as possible. Pan American has made extensive use of training courses offered by NIC, for example, a course in the use of powder actuated tools.

Catalytic performs construction management functions for SNPO. That is, they award lump sum construction contracts for our construction work. Catalytic's experience with the NIC inspectors has also been marked by mutual assistance and cooperation on safety problems in the construction field. The NIC inspectors have been very helpful to Catalytic in improving safety practices of their subcontractors who in many cases are local construction contractors doing other work in the area.

In the case of Aerojet and Westinghouse, their management has required that full cooperation be given to the NIC inspectors. We have received no complaints indicating a lack of cooperation.

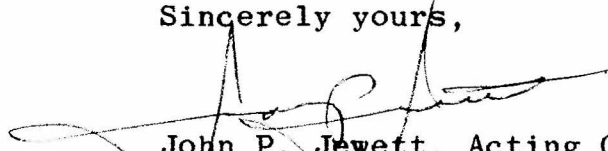
Although there are approximately 15 different labor organizations representing employees working at NRDS, to our knowledge there have been no complaints registered by these unions with the NIC concerning safety practices at the NRDS.

The attached table reflects a steadily decreasing cost to the government through favorable safety experience of all the contractors doing business at NRDS.

In view of this information it appears that there must be some misunderstanding of the actual safety experience at NRDS and of relations on our site with the Nevada Industrial Commission. This experience reflects our execution of basic policies of both AEC and NASA regarding their concern for the safety of people engaged in carrying out their programs.

We would be pleased to invite you or your representatives to visit our site and observe first-hand our activities.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'John P. Jewett', with a long horizontal flourish extending to the right.

John P. Jewett, Acting Chief
Space Nuclear Propulsion Office
Nevada Extension

Attachment:
As Stated

NUCLEAR ROCKET DEVELOPMENT STATION
NIC WORKMEN'S COMPENSATION RATES INCLUDING MODIFICATION FACTOR

<u>Contractor</u>	<u>1963</u>		<u>1964</u>		<u>1965</u>		<u>1966</u>		<u>1967</u>	
	<u>Exp. Mod.</u> <u>Factor</u>	<u>Modified</u> <u>Rate</u>	<u>EMF</u>	<u>Mod.</u> <u>Rate</u>	<u>EMF</u>	<u>Mod.</u> <u>Rate</u>	<u>EMF</u>	<u>Mod.</u> <u>Rate</u>	<u>EMF</u>	<u>Mod.</u> <u>Rate</u>
WANL*	1.00	.60	1.00	.53	.84	.395	.81	.373	.94	.414
AGC*			1.00	.53	1.00	.47	.87	.357	.89	.311
PAN AM	1.00	1.23	1.00	1.23	1.00	.98	.83	.373	.81	.332
CATCo	.92	.598	1.00	.60	.85	.238	.77	.216	.88	.194

*Full compensation rate excluding ex-medical



IN REPLY REFER TO:

164

UNITED STATES
ATOMIC ENERGY COMMISSION

NEVADA OPERATIONS OFFICE
P.O. BOX 1676
LAS VEGAS, NEVADA 89101

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 of 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 radiation 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

- 2 -

MAR 30 1967

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,



B. W. Menke
Assistant Manager
for Administration

Enclosure:
Background Summary