



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

September 14, 1984

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Free State Reporting, Inc.  
Attn: Mr. David Becker  
99 Cathedral Street  
Annapolis, MD 21401

Dear Mr. Becker:

Subject: Delinquency of Contract No. NRC-17-84-327, "Stenographic Reporting Services"

On August 6, 1984 a meeting was held between Free State Reporting, Inc., (FSRI) and the Nuclear Regulatory Commission (NRC) to discuss FSRI's unsatisfactory performance and violations of the terms of the subject contract, as outlined in our July 20, 1984 letter to you, and plans initiated, or to be initiated, by you to correct these performance deficiencies. It was stressed at that meeting that it is imperative that the contract specifications, terms and conditions be adhered to and that the transcripts submitted by your Company are received by the delivery times specified and are in an acceptable form.

Free State's performance has not improved to a satisfactory level. The quality of transcripts is still poor and delivery is not timely. Since August 6, 1984, a total of 38 transcripts has been received. Since that date 30 transcripts have been delivered late (Work Orders No. 123, 122, 121 (2 transcripts), 120, 119, 117, 115, 114, 113, 112, 111, 108, 109, 107, 106, 105, 125, 126, 130, 132, 133, 134, 135, 139, 136, 137, 129, 143 and 140) and ten have been returned to you for correction of numerous errors and omissions (Work Orders No. 122, 119, 115, 87, 101, 136, 139, 137, 128 and 140). These are the same problems which existed prior to August 6 and were the reason for the August 6 discussions.

Unsatisfactory performance by reporters and transcribers continues to produce excess inaudibles, unintelligible passages of text, misidentification of speakers and failure to list speakers on the first page. Specifically the August 16 transcript (Work Order No. 122) of proceedings in the Shoreham case is a most striking example of a totally unacceptable product. The errors were so fundamental and numerous that they could not be corrected by errata sheets. The closing arguments of counsel were substantially mistranscribed and the parties to the case were required to reconstruct their own arguments for the record of the proceeding.

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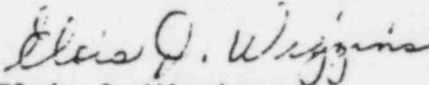
Another particularly significant example of poor quality is the transcript of the Three Mile Island meeting held by the Commission on August 15 (Work Order No. 119). In addition to inaccurate statements and errors which obscured the meaning of statements, the transcript contained speaker misidentification which made the discussion considerably more difficult to follow.

You are hereby notified that the Government considers your continued failure to meet the required standards of accuracy and completeness and timely delivery specified in the contract to be conditions which endanger the further performance of the contract. Therefore, you are requested to present, in writing, any facts bearing on these performance deficiencies as well as the steps being initiated to ensure the correction of these deficiencies. However, unless these conditions are cured within ten (10) days after receipt of this notice, the Government may terminate this contract for default under the terms and conditions of Article 11 of the General Provisions entitled "Default."

Any assistance rendered to you on this contract or acceptance by the Government of any delinquent goods or services will be solely for the purpose of mitigating damages and is not to be construed as an intention on the part of the Government to condone any delinquency, or as a waiver of any rights the Government may have under the subject contract.

Please direct any questions you may have on this matter to Ms. Teresa McLearn, Contract Administrator, at (301) 492-7533.

Sincerely,

  
Elois J. Wiggins  
Contracting Officer

cc: U.S. Small Business Administration  
Washington District Office  
1111 18th Street, N.W.  
6th Floor  
Washington, DC 20417