



OFFICE OF THE
SECRETARY

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

001 11 1304

MEMORANDUM FOR: Edward L. Halman, Director
Division of Contracts

FROM: Samuel J. Chilk, Secretary

SUBJECT: STENOGRAPHIC REPORTING CONTRACT - FREE
STATE REPORTING, INC.

We have polled the primary users of the Free State Reporting, Inc. (FSRI) contract to obtain their independent views on continuation of the contract in light of the contractor's response to the "cure notice" of September 14, 1984. The replies of the ACRS and the Atomic Safety and Licensing Board Panel are attached. We are informed that a reply from the Division of Licensing, NRR, is expected shortly.

The consensus of the users, including SECY, appears to be that NRC should take steps to terminate FSRI's contract. The users are not convinced that FSRI's performance will improve to a consistently higher level. FSRI's failure to respond adequately to NRC's past attempts to bring about substantive improvements brings into question its ability to achieve a uniform and consistent pattern of satisfactory performance in the near future. All users have a pressing need to obtain delivery of their transcripts on time; they have little time to spend proofreading FSRI's products or listening to backup tapes to verify the correctness of speakers or the accuracy of the text. We recognize that in the event the contract is terminated, other arrangements will need to be made quickly in order to retain continuity of transcription service for the Commission's Washington area users.

Attachments:
As Stated

cc: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech
B. Paul Cotter, ASLEP
D. Eisenhut, D/DL
R. Fraley, ACRS
A. Rosenthal, ASLAP