

SUBJECT: PAYMENT OF WAGES OR SALARIES TO COST-TYPE CONTRACTOR EMPLOYEES WHEN
ACCESS AUTHORIZATION IS SUSPENDED

1. PURPOSE. To establish uniformity concerning cost-type contractor and subcontractor employee pay status following Department of Energy (DOE) access authorization suspension to completion of appeal process.
2. SCOPE. The provisions of this Order apply to all Departmental Elements and contractors performing work for the Department as provided by law and/or contract and as implemented by the appropriate contracting officer.
3. EXCLUSION. This Order is not applicable to applicants who have not entered on duty and any employee discharged or suspended for cause under the contractor's employment policies and standards.
4. REFERENCE. Title 10 CFR Part 710, Criteria and Procedures for Determining Eligibility for Access to Classified Matter or Significant Quantities of Special Nuclear Material, which describes procedures to be followed where there is a question regarding eligibility for DOE access authorization.
5. PROCEDURES.
 - a. When the access authorization of a contractor employee is suspended by direction of an Operations Office Manager, the Operations Office Manager shall direct the contractor to transfer the employee to work not requiring access authorization, which the employee can reasonably be expected to perform, consistent with any applicable labor agreements, if such work is available, without reducing the employee's usual or basic compensation. If the contractor determines that no work is available to which the employee may reasonably be transferred, the contractor shall prepare a written report for the review and concurrence of the Operations Office Manager. If the Operations Office Manager concurs with the contractor's determination that no such work is available, the employee will be placed on leave and the contractor shall continue the employee's usual or basic compensation. However, where a corporate policy or a site-specific contractor policy consistent with applicable law so provides, the employee may be placed on leave without pay. If an employee who is continuing to receive compensation files a timely request for a hearing pursuant to 10 CFR Part 710, such compensation shall be continued until the employee has received notification in writing from the Department of the Hearing Officer's recommendation.

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All Departmental Elements

INITIATED BY:
Office of Industrial Relations

b. If the recommendation of the Hearing Officer is for revocation of access authorization, the employee's compensation shall be as follows:

- (1) In the event the employee was transferred to another position, compensation shall, thereafter, be the wage or salary applicable to the new position, and such compensation shall continue until final disposition of the case under Departmental procedures, 10 CFR Part 710.
- (2) In the event a job transfer was not arranged and the employee's usual or basic compensation has been continued, the employee shall be placed in leave without pay effective the date that written notification of the Hearing Officer's recommendation for revocation is received by the employee. The employee shall remain on leave without pay until final disposition of the matter.
- (3) If following the suspension of the employee's access authorization, the authorization is reinstated by DOE during or at the conclusion of the administrative review process provided under 10 CFR Part 710, the contractor will offer the employee reinstatement in the same or a comparable position to the one held prior to the suspension. The employee will be "made whole" for any loss of earnings by being reimbursed for the difference between the employee's regular or basic pay and actual earnings, including earnings from other employment, during the period of suspension.

c. If the recommendation of the Hearing Officer is continuation of access authorization, the employee's usual or basic compensation will be continued until a final decision is rendered by the Assistant Secretary for Defense Programs.

d. Costs incurred by contractors pursuant to this Order are allowable.

6. RESPONSIBILITIES AND AUTHORITIES.

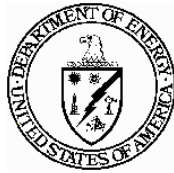
a. Assistant Secretary, Management and Administration (MA-I), through the Director of Administration (MA-Z), has overall authority for establishing policies regarding compensation of employees of cost-type contractors.

b. Operations Office Managers.

- (1) Suspend access authorizations, consistent with the responsibilities contained in 10 CFR Part 710.
- (2) Assure that contractor employees are notified of Hearing Officer recommendations, consistent with 10 CFR Part 710.

- (3) Concur in a contractor determination that suitable alternative work is not available for a contractor employee whose access authorization has been suspended.
- (4) Assure that these policies are implemented by cost-type contractors under their control.
- c. Director of Safeguards and Security (DP-34). For purposes of this Order, the Director of Safeguards and Security shall serve as operations office manager and obtain concurrence of the funding organization for contracts administered by Headquarters.
- d. Managers of the Pittsburgh and Schenectady Naval Reactors Offices. For purposes of this Order, the Managers, Pittsburgh Naval Reactors Office and Schenectady Naval Reactors Office shall serve as operations office managers for contractors under their control.

BY ORDER OF THE SECRETARY OF ENERGY



LAWRENCE F. DAVENPORT
Assistant Secretary
Management and Administration