

MEMORANDUM TO: File

FROM: Barry Mendelsohn
Abraham L. Eiss

SUBJECT: MEETING WITH DEPARTMENT OF ENERGY STAFF RE DOE
NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTEM
UPGRADE

The subject meeting was held at NRC headquarters on December 21, 1999. Attendees included the NMMSS contractor, NAC, and were as follows:

Department of Energy
David Crawford, DOE/SO
Suzanne Furr, DOE
Claire Holtzapple, DOE/Oakland

NAC
Susan Grissom
Peter Aucoin

NRC/NMSS/PMDA
Donna Umbel

NRC/NMSS/FCSS
Theodore Sherr
Abraham Eiss
Bruce Moran
Martha Williams
Barry Mendelsohn

NRC/OCIO/ADD
Tom Rich
Harvey Spiro

The DOE and NAC explained that the existing platform for NMMSS, Foxpro for DOS, was no longer supported by its vendor and was considered an obsolete system. This made it difficult to retain knowledgeable staff. In addition, the system was limited to 80 columns of data per item, so could not accommodate additional data fields that had been requested by various parties. An analysis of several platform options was conducted during the Planning Stage and Oracle was selected as the new platform.

Additional data fields will be needed to accommodate obligation tracking by country of origin, and gram level accounting. These were stated as being requests of NRC licensees. However, NRC staff pointed out that obligation tracking is, in the first instance, a requirement established by DOE and State, and not an NRC requirement per se, and that certain licensees, not NRC, had requested the gram level accounting change, which may not be needed.

It was agreed by all parties that the NRC should have been brought into the upgrade discussions earlier. Funds for the Planning Stage have already been spent, and NRC FY 99 funding of NMMSS operations was partially used for that. It was noted that DOE may make more use of NMMSS and request additional features be added to NMMSS as a result of ongoing reviews of its data management systems and its Nuclear Materials Stewardship Initiative, which is being undertaken at the request of Congress. The intent of the Stewardship Initiative is to improve management of nuclear materials under the responsibility of the DOE and, among other things, to create a centralized source of information on these materials. As part of this initiative, DOE is undertaking a Strategic Information Management (SIM) Project, to be completed by June 30, 2000, which involves analyzing various approaches to solving the problem of nuclear materials management and developing a business case that will include a

recommendation of the best solution from among several to be considered (along with the associated costs and long term benefits). (See memo to file dated December 16, 1999. We are considering relying on Crawford to represent our interests at the SIM meetings and to alert us to any issues we may need to address and/or be present for.)

The total estimated cost of the proposed upgrade, including Planning, Requirements, Design, Programming, Integration Testing, Parallel Testing, and Acceptance Testing stages, was given by DOE as \$4,154,500 (Attachment 1). Under the existing interagency agreement on NMMSS, DOE would expect NRC to fund 34% of this. However, DOE made a proposal for NRC funding in support of the NMMSS upgrade that takes into account both the failure to consult with NRC earlier and the limited scope of NRC use of the system. Under this proposal, NRC would provide no additional funding in FY 2000 other than that budgeted for operations, and no more than \$700,000 over FY 2001 and 2002, with a minimum of \$150,000 in either year.

Although DOE provided us some information at the meeting as a basis for justifying the allocation of costs to NRC, they have committed to providing additional information by mid-January. We have in preparation some questions that we will send them before that. Our next meeting with DOE is planned for the week of 1/31, at which time we will be expected to provide our response to their funding proposal.

The 34%/66% NRC/DOE split of operating costs will be reevaluated when the impact of the upgrade on usage by the two agencies is better understood. One possibility, given the anticipated expansion of DOE use of the system, is that NRC's share will go down sometime in the future. Also, another possibility, on which concern was expressed, is that expanded DOE requirements could saturate the system, and reduce the ability to respond to NRC needs in the future.

DOE and NAC staff satisfactorily responded (Attachment 2) to comments on the initial Planning Stage documents, developed by NAC, that NRC staff had provided in advance of the meeting.

NAC staff noted that they were spending more than 34% of their staff hours on NRC licensees, due to a very high error rate in data provided by some licensees. They said that those licensees who make use of SAMS, which is a subset of NMMSS, have much smaller error rates. Consequently, the costs for processing data from those licensees is considerably less. (ISS staff will follow-up on this matter.)

NAC plans to meet with licensees in Atlanta on January 24-27, 2000, to inform them about the NMMSS upgrade and to determine any additional requirements that the licensees would like to have considered for incorporation into the upgraded system.

It was agreed to have additional monthly meetings.

Attachments: As stated.

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