



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

August 14, 2001

Wesley C. Patrick, President
Center for Nuclear Waste
Regulatory Analyses
6220 Culebra Road
PO Drawer 28510
San Antonio, TX 78228-0510

Subject: Modification No. 7 to Task Order No. 1 Under Contract NRC-02-98-002

Dear Dr. Patrick:

In accordance with the task order procedures of the subject contract, this letter definitizes Modification No. 7 to Task Order No. 1. This effort shall be performed in accordance with the enclosed Statement of Work and the Contractor's technical proposal dated July 11, 2001. The effective date of this task order modification is August 14, 2001.

This modification decreases the cost ceiling of this task order by \$135,104 from \$413,203 to \$278,099. This is a result of the estimated cost for the option period decreasing from \$239,871 to \$104,767. Of this amount \$95,321 represents the total estimated reimbursable costs, the amount of \$2,774 represents the cost of facility capital, and the amount of \$6,672 represents the fixed fee for this option.

In addition, the period of performance for this task order is extended through March 31, 2002.

This task order modification does not obligate funds.

All other terms and conditions of this task order remain the same.

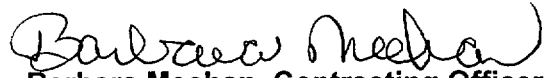
A summary of obligations under this contract, from date of award through this modification, is given below:

Total FY 98 obligations	\$137,000
Total FY 99 obligations	40,000
Total FY01 obligations	40,000
Cumulative total of NRC obligations	\$217,000

Please indicate your acceptance of Modification No. 7 to Task Order No. 1 by having an official authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, Attn: Mrs. Barbara Meehan, ADM/DCPM/CMB2, Mail Stop T-712, Washington, DC 20555. You should retain the third copy for your records.

If you have any questions regarding this matter, please call me on (301) 415-6730.

Sincerely,



Barbara Meehan, Contracting Officer
Contract Management Branch No. 2
Division of Contracts and
Property Management
Office of Administration

Enclosure: As stated

Accepted:



Name

R.B. Kalmbach, Director, Contracts
Title

August 21, 2001
Date

TASK ORDER NO.01 TITLE: TECHNICAL AND REGULATORY ANALYSIS SUPPORT FOR
THE PART 41 RULEMAKING

JOB CODE: J5220
 NRC ISSUING OFFICE: NMSS
 NRC PROJECT MANAGER: Jayne Halvorsen, 415-6001
 NRC TECHNICAL MONITOR: Myron Fliegel, 415-6629

FEE RECOVERABLE: NO

1.0 Background

The Nuclear Regulatory Commission does not have a stand alone regulation that establishes regulatory requirements for uranium recovery facilities. Instead, NRC has used, and currently uses, the applicable requirements in 10 CFR Part 40, "Domestic Licensing of Source Material." In recent years, the NRC staff considered that a new part, 10 CFR Part 41, devoted exclusively to uranium (and thorium), would be desirable. The staff proposed this in SECY-99-0011.

In July 2000, the Commission approved the staff's recommendation in SECY-99-0011 to provide a draft Rulemaking Plan to the Agreement States for comment, with the development of a new Part 41 as the preferred option. In conjunction with the development of Part 41, NRC would revise the two major guidance documents related to uranium recovery to conform to the new Part 41. Those documents are Standard Review Plans (SRPs) for ISLs, which is currently in draft form (NUREG-1569), and for reclamation of conventional uranium and thorium mills (NUREG-1620).

As the first step in the rulemaking process, NRC provided the draft Rulemaking Plan to stakeholders for comment. The industry raised concerns about the cost of the rulemaking, citing the poor financial condition of the uranium recovery industry. Uranium recovery licensees would ultimately pay for the rulemaking through annual fees. In response to industry concern about the cost of a rulemaking, the staff prepared SECY-01-0026, which presented 3 alternatives to the Commission. In May 2001, the Commission approved alternative 3, which would discontinue the rulemaking efforts at this time and focus resources on updating guidance. The staff will focus its efforts on updating NUREGs 1569 and 1620.

2.0 Objective

The general objective of this project shall be to provide a broad spectrum of analytical and technical assistance and support to the NRC during the effort to update NUREGs 1569 and 1620.

The CNWRA will revise NUREGs 1569 and 1620 to conform to Commission direction on policy issues provided in Staff Requirements Memoranda to SECYs 99-0012, 99-0013, and 99-0277 and to incorporate current staff practices.

3.0 Technical Qualifications Required:

For the support desired by NRC for the revision of NUREGs 1569 and 1620, NRC will need CNRWA staff with a broad variety of skills. The CNRWA will provide the services of staff in the following technical areas - health physics, geotechnical engineering, geochemistry, surface water hydrology, groundwater hydrology, geohydrology, environmental science, and socio-economics. Familiarity with the technical and operational aspects of uranium and thorium recovery facilities, both at conventional mills and at ISL's is desired.

4.0 Level of Effort

The estimated total effort to perform the analyses of the changes that need to be made to the NRC regulations for uranium and thorium recovery facilities, to prepare the report documenting the analysis of changes, and to provide support in preparing the proposed rule, the statement of considerations, and the miscellaneous regulatory/rulemaking documents is 2,863 man hours for Phase I (seven months). The estimated effort to perform the analysis of the changes that need to be made to NUREGs 1569 and 1620, to provide a draft revision of the documents, to analyze public comments received and to prepare a draft final version of the NUREGs is 770 staff hours.

5.0 Completion Dates

Completion of Phase I of this task order is estimated to be 7 months, and Phase II is estimated to be 7 months.

6.0 Scope of Work

The CNWRA staff will use 10 CFR Part 40 and other applicable Parts of 10 CFR, including Part 20 and Part 51; applicable standard review plans for Title I and Title II (both available and under development); available NRC uranium recovery policy and directive guidance, in particular relating to the regulation of insitu-leach uranium recovery facilities; as well as discussions with NRC staff to complete the following:

Phase I: Regulatory Analysis

- o Review the NRC's applicable and associated regulations for uranium and thorium recovery facilities, analyze the needed regulatory requirements, identify where changes to the NRC regulations are needed, propose changes and regulatory text that could be made to the NRC regulations, and prepare a draft final report documenting this process and the results of the analysis. Changes may be required after NRC review. An active dialogue shall be maintained between the CNRWA and NRC staff while this report is being developed.

Phase II: Guidance Update

- o Revise, in draft form, NUREGs 1569 and 1620.

- o As necessary, provide support to NRC staff for public meetings.
- o Analyze public comments on the revised draft NUREGs 1569 and 1620. Comments are to be separated into two categories: 1) comments pertaining to the SRPs (i.e., the procedures the staff uses to review and approve licensee proposals), and 2) comments pertaining to the underlying policies, especially those addressed in SECYs 99-0012, 99-0013, and 99-0277. For comments in the first category, prepare analysis of the comments, including suggested revisions to the SRPs. For comments in the second category, identify whether the comment has been raised previously in SECYs 99-0012, 99-0013, 99-0277, or 01-0026 (including attachments and references), or is a new comment, but do not analyze the comments.
- o Prepare draft final versions of NUREGs 1569 and 1620.

The Center shall communicate extensively with NRC as these documents are developed, and shall provide drafts for NRC staff review and comment.

7.0 Meetings and Travel

Phase I

Many NRC records which cannot be readily provided may have to be researched. Therefore, some trips to search the NRC records may be necessary. Also, the CNRWA staff shall have to travel to Rockville, MD. in order to coordinate on the development of various documents. It is estimated that 7 one person trips of one week duration to Rockville, MD. may be necessary to support this activity.

Phase II

CNRWA staff shall have to travel to Rockville, MD. in order to coordinate on the development of documents. It is estimated that 2 one person trips of 2 days duration to Rockville, MD. may be necessary to support this activity.

8.0 NRC Furnished Materials

NRC will furnish the materials listed under Section 6.0 Scope of Work above- or other documents referred to in this SOW, or will furnish materials as requested by the CNRWA staff. Otherwise, the CNRWA staff will have to access NRC public document rooms.

9.0 Milestones and Schedule (CNWRA Products marked by asterick)

This is an estimated schedule and is subject to revision. It is expected that CNWRA will provide preliminary working drafts, for staff review and comment, prior to the submittal of identified products.

*Provide report on proposed changes to current requirements:	2/99 complete
Commission approval to proceed:	7/00 complete
Commission direction to focus on updating guidance	5/01 complete
*Provide draft revisions of NUREGs 1569 and 1620	9/01
Publish, for 75 day public comment period, draft revisions of NUREGs 1569 and 1620	10/01
End of 75 day comment period	1/02
*Provide summary and analysis of public comments	2/02
*Provide draft final NUREGs 1569 and 1620 considering public comments	2/02
Commission Paper with final SRPs to other Offices	3/02
Commission Paper with final SRPs to EDO	4/02
Commission Paper with final SRPs to SECY	4/02

12.0 Technical Direction

Myron Fliegel, of the Fuel Cycle Licensing Branch, will be designated as the NMSS Technical Monitor for this rulemaking activity. Jayne Halvorsen is designated as the NRC Project Manager. Technical instructions may not constitute new assignments of work or changes of such a nature as to justify an adjustment in cost or period of performance. Directions, if any, for changes in scope of work, cost, or period of performance will be issued by the NRC Project Manager.