

TO: Sandi

DATE: February 16, 2001

FROM: Joel

SUBJECT: AUTHORITY TO ACCEPT REIMBURSABLE FUNDS

The attached reimbursable agreement arrived late Friday and is on an URGENT time frame. The agreement funds travel for 2 RES staff (Ashok Thadani and Tom King) to travel to South Africa for the "Pebble Bed" reactor project. Please note the following:

- I had already Oked accepting a reimbursable agreement with DOE for travel only, since it was for a brief enough time period to meet the NRC policy of accepting travel reimbursements.
- The trip is "Phase I". Phase II involves a planned reimbursable agreement with DOE for maybe \$800K for both staff costs and contract support.
- The project seems to be preapplication interactions between a future NRC licensee and NRC for assessing the viability of licensing a new reactor design in the U.S.
- My concern is whether NRC can accept funds from an outside source (DOE) for this work under the Economy Act. Instead, we may have to use NRC funds.
- I will need to consult with OGC. Another potential option would be to classify the work as "cooperative research", although I am skeptical that the work fits under that authority either.

The urgency of the issue is that Rick would need to concur on the reimbursable agreement ASAP. Also, RES is working on a SECY paper on this issue which needs to correctly identify the resource issues.

I RECOMMEND THAT YOU RAISE THIS ISSUE AT TUESDAY STANDUP!

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