

6/11/01

REIMBURSABLE AGREEMENT WITH DOE TITLED
ADVANCED GAS REACTOR FRAMEWORK, TECHNOLOGY AND FUEL EVALUATION

Background

- Initial agreement signed in March, 2001. Provided \$20K for travel to South Africa to evaluate the PBMR. Funds were used for foreign travel.
- SECY 01-0070, "Plan for Preapplication Activities on the Pebble Bed Modular Reactor (PBMR), issued on April 25, 2001. Paper identifies: 1) directly appropriated FTEs and contract support costs; and 2) FTEs and contractual support to be reimbursed by DOE.

The reimbursable portion, totaling \$1,400K, was identified as follows:

FY 2001	\$300K CS + \$200K for staff costs = \$500K
FY 2002	\$500K CS + \$400K for staff costs = \$900K

Paper requests Commission approval to proceed with preapplication activities on the PBMR, "including the DOE-sponsored HTGR technology assessment and transfer activities...."

- Per SECY, SRM on SECY 01-0070 is still in draft, as of June 11.
- Mod 1 to reimbursable agreement was drafted in April, 2001. Provided additional \$480K. DPBA and OGC expressed concerns that SOW defined NRC's work as developing a regulatory framework for licensing reactors. After discussions with OGC, RES agreed to revise the SOW to focus on NRC performing a technology assessment or generic research (see attached markup which was approved by Brian Kildee, OGC). Rather than the Economy Act, the reimbursement would be authorized under NRC's cooperative research authority.

Other comment to RES on Mod 1 was that NRC's full cost reimbursement policy needed to be added to the document.

Revised Mod 1, Received June 11

- The agreement provides \$480K of additional funding, defined as follows:

\$155K for staff costs
25K for travel
300K for contract support

The SOW breaks the funds as follows:

\$300K for Gas Reactor Framework
100K for Gas Reactor Analysis Codes (V&V)
60K for Participation in International Gas Reactor Safety Activities
20K for HTGR Fuel Test Program Development

- SOW has been edited to address markup.

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Issues

- Agreement does not include standard language on full cost reimbursement:
Costs will be billed in accordance with NRC policy for charging full costs for reimbursable work. NRC policy requires charging for direct staff time based upon the hourly rate as established in 10 CFR Part 170, in addition to any contractor or foreign travel costs incurred in order to perform services specified in the Statement of Work.
- RES wishes to charge costs of June 12-13 meeting with Exelon to the agreement. Agreement will not be signed by then. Some of the meeting activities with Exelon is licensing and regulatory in nature, and not billable to DOE. Agreement is ambiguous regarding charging for costs incurred prior to signature.
- Agreement cites Economy Act as legal authority. Brian Kildee's guidance implies that the work is at least partially authorized as cooperative research, rather than the Economy Act. NRC has not previously charged staff costs to cooperative research funds. Cooperative research activities are considered to be mission related. Since NRC is not required to be reimbursed from DOE for mission related staff costs, then NRC is not required to charge all associated time to the reimbursable agreement. RES will need to develop rules for charging time to the DOE reimbursable agreement or as license fees. //

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