

JUL 26 1988

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MEMORANDUM FOR: Hugh L. Thompson, Jr., Director
Office of Nuclear Material Safety
and Safeguards

THRU: Robert E. Browning, Director *RE Browning*
Division of High-Level Waste Management

FROM: Joseph O. Bunting, Chief
Systems Engineering and Evaluation Branch
Division of High-Level Waste Management

SUBJECT: NRC CNWRA PROGRAM MANAGER'S REPORT #1

This report is provided for your information. The "Problem Areas" outlined below are those that we are currently working on. There are no areas where we are requesting your assistance at this time.

1. PROBLEM AREAS:

A. YEAR ONE --

(1) Research The principal problem area in implementing the Center remains the delay in getting Research projects approved, and the resultant cost impact on the NMSS programs. At the initial kick-off meeting, October 26, 1987, we indicated to the Center that they should plan and schedule project activities and plan their staff build-up based on approval of Operations Plans in late November. The NMSS plans were approved in December 1987 and January 1988. One Research project was approved in late May and another in early July. Three projects remain to be approved. Action has been taken with Research and approvals for these remaining three projects are supposed to be forthcoming by the end of July. The latest actions are reflected in enclosures 1 & 2. However, the impact of these delays has been borne by NMSS projects. Costs for Center staff who were supposed to be direct charged to Research have been charged to a pool and spread over the approved projects (NMSS). This has been particularly noticeable in the costs reported for the Transportation Risk Study (Division of Safeguards and Transportation), where a majority of costs to date have been for non-direct charges for a very small project to begin with. I am working with the Division of Contracts and the Center to see if appropriate adjustments can be made so that these costs are paid by Research.

(2) Quality Assurance We have experienced delays in approving the Center's Quality Assurance Manual. This has stemmed from NRC's verbal requirements that the Center QA Manual meet 10CFR50 Appendix B requirements, or provide rationale why not. The Manual has been subjected to review by the QA

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staff of the Operations Branch who were instructed to review it like they would a DOE QA manual. This has generated a large number of comments which have to be addressed by the Center. At the same time, we only approved .5 man-years for QA effort in Year One. Therefore, the level of contractor effort funded is inadequate for the approach we have chosen. We have met with the Center on their latest draft and have worked out an approach which will lead to approval of an interim QA manual, followed by a revised manual which may incorporate additional requirements directed by NRC. The letter to the Center providing this direction is included as enclosure 3. NRC staff (Mark Delligatti) will be at the Center the week of July 17, 1988 to assist them in implementing our instructions. In the interim, the Center's work is being governed in QA by Technical Operating Procedures prepared by the Center and approved by NRC for specific tasks.

(3) Streamlining NRC Management Efforts to streamline NRC management have been partially successful. The Year Two Operations Plans will be reduced to three, in lieu of the present eight. Agreement has been reached with Research so that the Center will have some management discretion in travel, such that NRC approval for each individual trip is no longer required, as long as the total costs remain within the limits approved in the Operations Plan. Efforts to reduce the number of NRC staff with technical direction authority and with authority to engage the contractor in discussions of cost allocations for ongoing work and potential new work has not yet been successful. Efforts are continuing to find a mechanism to achieve these controls.

(4) Funding In The Fiscal Year Transition Period I had previously directed the Center President to plan on stretching out the Year One funds through October and as much of November as practicable. Based on the latest projections, the Center will need an additional net of approx. \$75,000 to fund them thru November 25, 1988. However, since the funds are not transferable between programs, \$156,000 will be needed to fund Research, and approx. \$52,000 will be needed to fund Transportation. Division of High Level Waste programs is forecast to have a surplus of approx. \$134,000. I understand that the NRC Appropriations bill is on the President's desk for signature. If signed, our only problem is to administratively transfer the funds from the Controller to NMSS and Research, to Contracts and then to the Center.

B. YEAR TWO -- Funding level and rate of expenditure. The funding level in Year One is 4.7M vs. 3.6M planned. This is due principally to three factors: a) +600K for two additional Research projects; b) +200K for transfer of the CONVO project; and 3) 300K to cover costs for the early weeks in FY 1989. The projected spending rate during the last two accounting periods covered by these funds is quite high (approx. \$650,000), reflecting the cost of additional staff that have already been acquired and additional staff they plan to bring on by that time. Preliminary indications from the Center President is that they could continue the growth rate thru Year Two if desired, which would

require approximately \$8.0M in Year Two. Our funding plan contained in the contract for Year Two is \$7.2M. However, since Research increased their Year One funds by \$600,000, they plan to decrease their Year Two funds by the same amount, so that they meet the total of their planned Year One and Year Two funds. This means that the Center's funding for Year Two will be only \$6.6M instead of the planned \$7.2M. This means a reduced rate of growth below that rate at the end of Year One. I have directed the Center President to use this lower funding level for his baseline planning for Year Two. I have also asked that he provide us an estimate of any additional funding he could take in Year Two, considering his contractual commitments and the three to six month lead time to acquire staff once he gets direction from NRC.

2. STATUS:

A. STAFFING -- Since May, the Center has had an increase in staff of approximately 45%, including 6 professional and 1 support. Please note that these reflect staff who have already come on board, and those staff who have received a commitment from the Center. Currently, there are 26 staff on board, and expect 29 by the end of the first year. In future reports we will routinely provide you with a comparison of staffing plan with actual.

B. PROGRAM ARCHITECTURE ACCELERATION -- We recently redirected the Center (contractually) to accelerate the development of the program architecture so as to deliver interim products to assist the staff in meeting the DOE production schedule. The analysis of regulations and statutes will be focused initially on those sections dealing with "site constrained" requirements and an interim report of regulatory, institutional and technical uncertainties together with recommended uncertainty reduction methods (additional rulemakings, etc.,) pertaining to those "site constrained" sections of the regulations and statutes is targeted for delivery by December 21, 1988. The Center has advised us that they are reluctant to take this approach since there is considerable judgement involved in determining which sections of the regulations and statutes are "site constrained". Therefore, any report of findings and recommendations that they might make before they have had an opportunity to complete the entire systems analysis involves considerable risk in that they may be incomplete or inaccurate. We have communicated to the Center that we understand and accept the risk. The contractual redirection is included as enclosure 4. Staff (Mike Lee) was at the Center the week of July 11, 1988 at their request to observe the Center's Program Architecture Review Committee go through its Technical Operating Procedure leading to its analysis and decisions.

3. PENDING

A. BRIEFING TO ACNW -- Joint NRC staff and Center briefing is scheduled for

July 22. Staff will present background, need rationale, and obligations, leading to Commissions decision to sponsor an FFRDC, and the first year technical requirements. Mr. Latz, Center President, will present status and plans for the Center, and invite the Committee to visit the Center in the Fall. Mr. Latz, and Mr. Adler from the Washington Office, are the only Center staff who will be present for the briefing.

B. BRIEFING TO THE COMMISSION -- A joint NRC staff and Center briefing is scheduled for August 15, 1988, with a pre-brief to the EDO scheduled for August 1. We do not now plan to have the Center present for the EDO pre-brief.

C. VISIT BY COMMISSIONER CARR -- We understand that Commissioner Carr desires to visit the Center sometime in September, 1988.

D. BRIEFING TO WMRG-- WMRG members requested a briefing by the Center on the role and capabilities of the Center's Washington Office. This has been tentatively scheduled for the week of August 15, in the Center's Crystal City Offices. At that time, both of the new hires will be on board and the Center President can also participate since he will be in town to brief the Commission.

D. RELOCATION OF THE CENTER -- The Center is scheduled to relocate from its present temporary quarters in two buildings to its new facilities on the third floor of the Electromagnetics building during the first part of August.

Original Signed By

Joseph O. Bunting, Jr. Chief
Systems Engineering and Evaluation
Branch
Division of High-Level Waste Management

Enclosures:
As Stated

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