

JUL 13 1988

NOTE TO: R. E. Browning  
 FROM: J. O. Bunting  
 SUBJECT: DELAY IN RESEARCH FUNDING FOR AND APPROVAL OF GEOCHEMISTRY AND THERMOHYDROLOGICS PROJECTS

Reference our discussion yesterday, here are the facts you requested as background for your discussion with Guy Arlotto:

1. In our Friday July 1, 1988 meeting with Arlotto he agreed to take the following actions:
  - a. Transfer to the Division of Contracts \$450,000 to complete the year one level of funding previously established by Research of \$1.2M
2. Promptly turn on the Center to begin the early tasks on the remaining three research projects that have been submitted and awaiting approval, these are: geochemistry; thermohydrologics; and overall research planning.
3. Increase the year two budget allocation for Research at the Center by approximately \$500,000, so that the total of year one plus year two funding by Research at least matches the two year level cited in the phase-in plan and committed in the contract (\$3.1M).

As you know, Guy Arlotto, in the WMRG meeting of July 6, strongly committed to meeting the Research commitments for funding, and for early approval of Research projects so that funding to the Center is not delayed. As we both have commented, Nick Costanzi, in the same WMRG meeting, did not sound as if his specific plans would produce action as promptly as Guy Arlotto had led the the committee to believe.

Status:

A. Ongoing actions which are being impacted by Research's delay in approving projects and transferring money:

1. The Center has hired a Geochemist and other staff, (Prasad Nair, John Russell part time for Research) in accordance with the staffing plan, to be paid for in full or in part by research funds. Center is proceeding with recruiting actions and additional staff will be brought on this year, to support Research as well as NMSS.
2. I am, with Mary Mace, attempting to negotiate the impacts of the contractual redirection to accelerate the Program Architecture Acceleration. The Proposal that will be submitted by the Center apportions costs for the remainder of the year. Although this redirection has no affect on Research, the proposal clearly indicates that \$1.2M is required from Research as their portion of year one costs principally to pay costs of staff salary.

3. The schedule agreed to by the Center and NMSS assumed timely approval of the Research projects.

B. Status of Research Actions since July 1, 1988 meeting with Guy Arlotto

1. The \$450,000 to fully fund year one has not been transferred to contracts
2. None of the three outstanding research projects have been approved.

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3. Am not aware of what if any action has been taken to increase year two funding by \$500,000, to bring total of year one and year two up to the total level in the phase-in plan and contract.

C. Potential impact if resolution is not forthcoming in a matter of days:

1. Without the additional year one \$450,000, Mary cannot accept the proposal from the Center this week because she does not have enough money transferred to her to cover the projected year one costs. THIS IS THE SINGLE MOST IMPORTANT ACTION TO BE TAKEN. If she has the money, the proposal can be accepted, the contractor's costs can be met in year one.

2. If the Money is not made available in a matter of days, the Contractor's proposal will be rejected for lack of funds, and the Center will be redirected to take appropriate management actions to control year one and year two (October and November) costs so as to stay within the funds currently available to Contracts. this will mean:

- a. The recent negotiated schedules for accelerating the Program architecture is invalid.
- b. Center must terminate all current year one and year two recruiting actions.
- c. Reduce sub-contractor and consultant costs so that no reduction in force actions will be necessary, and adjust milestones and schedules of all activities accordingly.
- d. Technology transfer planning will be suspended, and the planned year three completion will slip.
- e. Reflect the foregoing in the August 1, 1988 briefing to the EDO, and subsequent August 15 briefing to the Commission

2. Assuming the money is made available, the delay in approving Research projects still has an impact:

- a. Research will pay \$1.2M for what ever work is approved (currently \$705,000). This does not present very good optics for anyone.
- b. Demoralizing effect on the Center staff, particularly the newly hired staff who decided on the Center among many other opportunities principally for the opportunity to meet the challenge of an urgent need to solve a critically important national problem, standing around waiting for NRC to get its act together.
- c. The negotiated schedule to accelerate development of the program architecture leading to a Deliverable on 21 December is jeopardized as senior management and staff are diverted to work with research to modify/prepare new research project plans.
- d. Reflect the foregoing in the August 1, briefing to the EDO and the subsequent August 15 briefing to the Commission.

**Action Required**

1. We need the \$450,000 in year one money transferred this week to Contracts.
2. We need a definitive schedule established for Research to turn on the remaining projects before the August 1, 1988 briefing to the EDO.
3. We need a definitive schedule for Research to develop, coordinate and submit changes to the Center to modify any and all Research projects for year one. We need that Schedule by August 1, 1988.

Joseph O. Bunting