



Department of Energy
Idaho Operations Office
1955 Fremont Avenue
Idaho Falls, ID 83401

March 28, 2005

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

SUBJECT: Notification of the Selection of the new Idaho Cleanup Project Contractor for the Idaho National Laboratory (INL) Pertinent to NRC Materials Licenses #SNM-2504 and SNM-2508, and Docket 72-25 (EM-FMDP-05-015)

- Reference: 1) Letter, E. Sellers, NE-ID (DOE-ID) to J. Strosnider, NRC; "Notification of the Intent to Obtain New Management and Operation Contractors for the Idaho National Engineering and Environmental Laboratory (INEEL) (Dockets 72-20, 72-25 and 72-09) (INTEC-NRC-04-023), dated August 13, 2004
- 2) Letter, J. Hagers, NE-ID (DOE-ID) to J. Strosnider, NRC; "Notification of the Selection of the new Laboratory Contractor for the Idaho National Engineering and Environmental Laboratory (INEEL) (Dockets 72-09, 72-20, and 72-25) (INTEC-NRC-04-035), dated November 16, 2004.

Dear Sir or Madam:

Reference 1 provided preliminary notification, pursuant to the intent of License Condition #14 (LC #14) of the Fort St. Vrain (FSV) and Three Mile Island (TMI) Independent Spent Fuel Storage Installation (IFSFI) materials licenses (SNM-2504 and 2508, respectively) that the Department of Energy, Idaho Operations Office (DOE-ID) decided to re-bid the current Management and Operating contract for the Idaho National Engineering and Environmental Laboratory (INEEL) and DOE's intent to rename the INEEL as the Idaho National Laboratory (INL). As discussed, this decision was made to apply focus on conducting the two main and discrete mission objectives at the Idaho Site under separate contracts/contractors.

The main mission for the Idaho Site will be that of DOE's new lead laboratory for nuclear energy research, development, and demonstration, under DOE's Office of Nuclear Energy (NE). To align with this main mission, DOE-ID has been renamed as the Office of Nuclear Energy Science and Technology Idaho Operations Office (NE-ID). Reference 2 provided formal notification to the NRC that November 9, 2004, the Secretary of Energy announced the award of the INL contract to the Battelle Energy Alliance (BEA).

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As discussed in Reference 1, the significant complementary mission for the Idaho site will be accelerated environmental cleanup under DOE's Office of Environmental Management (EM). This contract was offered separately from the INL contract and is referred to as the Idaho Cleanup Project (ICP). This is to notify you that on March 23, 2004, DOE announced the selection of CH2M-WG Idaho, LLC as the contractor responsible for the Idaho Cleanup Project through the year 2012 at the Idaho National Laboratory (INL). CH2M-WG Idaho LLC consists of a team led by CH2M Hill and Washington Group International. The third team member is a small Pocatello, Idaho-based business, Premier Technology, which specializes in the design and construction of specialty stainless steel equipment. The contract, which runs through September 20, 2012, is valued at about \$2.9 billion.

~~Under the contract, CH2M-WGI will be responsible for treatment and disposal of radioactive waste; retrieval, disposal and other remediation related to buried waste; safe management of spent nuclear fuel; disposition of nuclear materials; disposition of reactor and non-reactor nuclear facilities; and other environmental remediation activities. Management support of the TMI and FSV ISFSIs resides under the ICP contract, once the contract becomes effective. As noted in Reference 1, the existing security provider at the FSV ISFSI, which is under a separate contract with Securitas (formerly Burns), and the FSV ISFSI emergency response support agreements with local agencies and hospitals are unaffected by the selection of the new INL and ICP contractors.~~

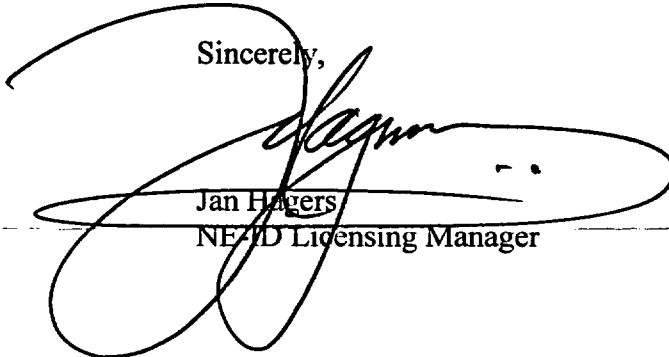
The CH2M-WGI team will immediately begin transitioning into its new role and take over management of the cleanup work on May 1, 2005. Until then, Bechtel BWXT Idaho, LLC (BBWI), the current Management and Operating contractor, will remain in place as the contractor for the ICP scope of work, including support of ISFSI operations.

NE-ID is fully aware of DOE's responsibility as licensee for safe, secure, and compliant operation of the two NRC licensed ISFSIs under NRC regulation and their respective materials licenses. Accordingly, NE-ID will ensure that there is no reduction in effectiveness in the management of the TMI and FSV ISFSIs within the new contract structures and proposed interfaces.

Lastly, NE-ID has kept Foster Wheeler Environmental Corporation (FWENC), licensee for the Idaho Spent Fuel (ISF) Facility ISFSI under Docket 72-25, informed of these planned contract changes. NE-ID has assured FWENC that all of DOE's obligations and commitments under both the existing DOE Contract DE-AC07-00ID13729 and the ISF Facility NRC Materials License SNM-#2012, issued November 30, 2004, will continue to be met under the new ICP contract.

Please contact the undersigned at 208-526-0758 or Mark Gardner, TMI/FSV Facility Director, at 208-526-5655 should you require further clarification and/or additional information regarding this transition.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Jan Hagers', is written over the typed name and title. The signature is highly cursive and loops around the text.

Jan Hagers
NEED Licensing Manager

cc: Dr. B. Mallett, NRC Region IV Administrator
Dr. D. Spitzberg NRC Region IV
Mr. J. Hall, NRC
Mr. E. Leuschner, FWENC
Mr. J. Saldarini, TtFWI
Mr. R. Izatt, TtFWI