Exhibit 1

The Secretary of Energy
Washington, DC 20585

April 3, 2007

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Madame Speaker:

On July 23, 2002, the President signed into law H.J. Res. 87 (Pub. L. No. 107-200) which approved the site at Yucca Mountain for the development of a geologic repository for spent nuclear fuel and high level radioactive waste. The Nuclear Waste Policy Act of 1982 (NWPA), as amended, 42 U.S.C. §§ 10101-10270, makes the safe development and operation of a repository at Yucca Mountain a national priority in order to provide for the disposal of spent fuel and high level radioactive waste in a manner protective of the public health and the environment.

The NWPA and Public Law 107-200 require the Department of Energy to prepare and submit to the Nuclear Regulatory Commission (NRC) a license application for authorization to construct the repository. The Department is committed to proceeding as promptly as possible and plans to submit its application not later than June 30, 2008. The licensing proceedings that the NWPA requires the Department to pursue for this facility will be intensive and thorough, involving the submittal of millions of documents and a lengthy administrative process at the NRC over a minimum of three years. The Department will need specialized legal services to aid in these unique, complex and important licensing proceedings. The Department currently has retained one outside law firm to assist with documentary and other licensing matters, but given the scope and magnitude of the proceedings, the Department will need to hire one or more additional firm or firm(s) with appropriate experience capable of performing the highest quality legal work to the highest professional standards.

To accomplish this expeditiously and effectively, we intend to award a contract to one or more law firms using an informal process to evaluate different law firms rather than the more formalized competitive process set out in the Competition in Contracting Act and its implementing regulations. Pursuant to 41 U.S.C. § 253(c)(7), I have determined in the enclosed Determination and Findings that proceeding in this manner is necessary in the public interest. I note that proceeding in this manner in no way limits federal procurement regulatory protections against organizational conflicts of interest and may in fact facilitate inquiry into these issues. In accordance with the requirements of section 253(c)(7), no contract will be awarded earlier than 30 days from today's date.

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If you need additional information, please contact me or have your staff contact David R. Hill, General Counsel, at 202-586-5281, or Mary Egger, Deputy General Counsel for Technology Transfer and Procurement, at (202) 586-8978.

Sincerely,

Samuel W. Bodman

Enclosure

The Secretary of Energy
Washington, DC 20585

April 3, 2007

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

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Samuel W. Bodman

Enclosure

DETERMINATION AND FINDINGS

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The NWPA and Public Law No. 107-200 require the Department of Energy to prepare and submit to the Nuclear Regulatory Commission (NRC) a license application for construction of the repository. The NWPA sets out a statutory schedule in that regard. That schedule anticipated that by now not only would the license application already have been filed, but that by 1998 the NRC would already have fully adjudicated that application, a second application for receipt and possession, and the repository would be open and receiving spent fuel and high level waste now scattered around the country. Various aspects of this statutory timetable have proven to be overly optimistic. Nevertheless, as former Secretary of Energy Abraham stated in the Department's Recommendation to the President that the Yucca Mountain Site be approved (Site Recommendation), it is important that the Department honor what was plainly the central function of the statutory schedule – to proceed as promptly and as responsibly as possible in the development of a nuclear waste repository.

Moreover, the priority that Congress has placed on this matter is plainly well founded. As explained in the Site Recommendation, compelling national interests call for the prompt licensing and development of a repository. A repository is important to our national security and our non-proliferation efforts, as permanent disposal is needed for spent nuclear fuel from naval combat vessels and for materials from dismantled nuclear weapons. A repository is important to our energy security because nuclear power supplies an important part of our domestic energy needs, and to our homeland security because it would allow the consolidation and secure disposal of spent nuclear fuel and high level radioactive waste that is currently stored at over 100 sites in 39 States. Finally, a repository is also important to our efforts to protect the environment, so that we can implement an environmentally sound disposition plan for our defense wastes and begin disposition of commercial spent fuel, a program that was to have begun in 1998.

The licensing proceedings that the NWPA requires the Department to pursue for this first-of-a-kind facility will be intensive and thorough, involving the submittal of millions of documents and a lengthy administrative process at the NRC over a minimum of three years. The Department will need specialized legal services to aid in this unique, complex and important endeavor. The Department currently has retained one outside law firm to assist with documentary and other licensing

matters. Given the scope and magnitude of the proceedings, however, the Department will need to hire one or more additional firm(s) with appropriate experience capable of performing the highest quality legal work to the highest professional standards, sensitive to the public interest, and in which the Department can place its utmost confidence. As the process unfolds, the Department anticipates the possibility that additional specialized services may be needed and for this reason, is allowing for the possibility of retaining more than one additional firm.

The Department's experience leads it to believe that it can best meet this need for special-requirements legal services of this type by using a less formal process rather than more formal federal procurement procedures to identify, evaluate and select legal services provider(s). The Department used a less formal process in 2004 when it selected the outside firm already providing legal services with respect to Yucca Mountain. The Department also used a less formal process to obtain specialized legal services in 1996 with respect to the Congressionally-directed sale of the Elk Hills Naval Petroleum Reserve. We believe a less formal process served the Department well in those cases and will do so in this instance too.

As a general matter, businesses do not typically use any process remotely resembling the government's formal competitive procedures to retain outside legal services. Instead, while they generally consider several options, they typically view a less formal process as the best mechanism for selecting a firm in which they are prepared to place the kind of confidence and trust necessary for a successful counseling relationship. This kind of informal evaluation makes particular sense in this case. The qualifications and professional characteristics that the Department seeks in the firm(s) that it will hire to assist it with the Yucca Mountain effort – particularly the intangible qualities required to recognize and understand the nature and significance of various public interest considerations – cannot readily be reduced to specific evaluation criteria that are essential elements of the government's more formalized competitive acquisition process. Yet this kind of specificity would be necessary in a formal competition so that offerors could respond to the requirement. This exercise of developing and relying on formal evaluation criteria would not only artificially constrain rather than assist the Department's ability to evaluate potential firms, it would also artificially constrain the firms' ability to communicate their qualifications in a way that would be most informative to the Department. The reality that the legal profession has little familiarity in participating in this kind of formal process and little experience with responding to proposal requests with this level of rigidity and formality would further compound these difficulties.

In addition, given the likelihood that the Department will be able to project, on the basis of its current knowledge and the proposals it receives, what the real differences in out-of-pocket costs for these services among offerors will be, and the importance that these services be of the highest caliber to maximize the

chances of success of the project, securing the services of the firm(s) that will best help the project should be the singular focus of the selection process for legal services in this instance. The standard federal procurement process does not generally allow decisions to be made on this basis, however. Finally, the use of an informal process will allow the Department to proceed more expeditiously than a formal federal procurement in retaining counsel, and in light of the priority Congress has given this matter, it is appropriate for the Department to seek to proceed with this decision expeditiously. Accordingly, I believe that it is necessary in the public interest for the Department to use a less formal process to select outside legal services to support its Yucca Mountain efforts.

Based on the above and in accordance with paragraph (7) of section 303(c) of the Federal Property and Administrative Services Act of 1949, as amended, 41 U.S.C. § 253(c)(7), I determine that it is necessary in the public interest to use other than competitive procedures, as defined in the Office of Federal Procurement Policy Act, in obtaining the legal services necessary to support activities associated with the Department's program for development and operation of a repository at Yucca Mountain and the licensing proceedings before the NRC.

Sam Bodman

Samuel W. Bodman
Secretary of Energy

APR - 3 2007
DATE