



February 4, 2009

Budhi Sagar, President
Center for Nuclear Waste
Regulatory Analyses
6220 Culebra Road
PO Drawer 28510
San Antonio, TX 78228-0510

Subject: Modification No. 3 to Task Order No. 14 under Contract NRC-02-04-014

Dear Dr. Sagar:

In accordance with the task order procedures of the subject contract, this letter definitizes Modification No. 3 to Task Order No. 14. This effort shall be performed in accordance with the attached, revised Statement of Work and the Contractor's technical proposal dated December 22, 2008.

The obligated amount is increased by \$18,495, from \$140,364 to \$158,859.

In addition, the period of performance is extended through April 20, 2009 at no additional cost to the Government.

Accounting data is provided below:

B&R: 95515355288
Job Code: F1012
BOC: 252A
Approp: 31X0200
FSS#: 5509R038
Obligated Amount: \$18,495

A summary of obligations for this task order from award date through the date of this action is given below:

FY07 obligation amount: \$96,303
FY08 obligation amount: \$44,061
FY09 obligation amount: \$18,495

Cumulative total: \$158,859

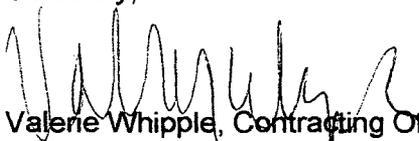
This modification obligates \$18,495 in FY09 funds.

The issuance of this task order modification does not change any terms or conditions of the contract.

Please indicate your acceptance of this modification by having an official authorized to bind your organization execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, Attn: Valerie Whipple, ADM/DC/CMB3, Mail Stop T712, Washington, DC 20555. You should retain the third copy for your records.

If you have any questions regarding this modification, please contact the undersigned on (301) 492-3628.

Sincerely,


Valerie Whipple, Contracting Officer
Contract Management Branch No. 3
Division of Contracts
Office of Administration

Accepted:



Name R. B. Kalmbach

Executive Director, Contracts
Title

February 13, 2009
Date

STATEMENT OF WORK

PROJECT TITLE: TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF AN ENVIRONMENTAL ASSESSMENT FOR THE GLOBAL NUCLEAR FUEL - AMERICAS LICENSE RENEWAL APPLICATION

JOB CODE: F1012
TASK AREA 4: Environmental Assessment and Safety Evaluation Preparation
TASK ORDER NUMBER: Fourteen (14)
B&R NUMBER: 85515355288
NRC ISSUING OFFICE: FSME
NRC PROJECT OFFICER (PO): Edna Knox-Davin - (301) 415-6577
TECHNICAL PROJECT MANAGER (TPM): Johari Moore - (301) 415-7694
FEE RECOVERABLE: YES
TAC NUMBER: L32629
DOCKET NUMBER: 70-1113

1.0 BACKGROUND

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing an application dated April 11, 2007, from Global Nuclear Fuel - Americas (applicant or GNF-A) for the renewal of materials license SNM-1097, under the provisions of 10 CFR Part 51. Current operations include the manufacture of fuel assemblies for light-water power reactors, uranium dioxide powder for pellet manufacturing, and pellets shipped to domestic fuel fabricators. The primary uranium feed material for the facility is uranium hexafluoride. Secondary feeds include powder and various uranium-bearing scrap materials. Production, production-support, and waste processing activities are supported by a number of non-radiological chemical materials, most notably bulk quantities of aqua ammonia, nitric acid, nitrogen, and sodium hydroxide. Byproducts include hydrofluoric acid recovered from the dry conversion process.

Site processes produce solid, liquid, and airborne wastes. Liquid process wastes are collected within the plant's wastewater treatment system. The system provides processes for the treatment and removal of certain constituents and characteristics (ammonia, uranium particulates, fluorides, pH) prior to the treated effluent being combined with domestic sewage and other nonhazardous liquid effluents.

The site discharges airborne effluents to the atmosphere via a number of process stacks. All process stacks exhausting air that may contain concentrations of radioactive materials are provided with high efficiency particulate air filtration and continuous sampling.

A GE Hitachi Nuclear Energy (GEH) press release, dated April 30, 2008, disclosed that Global Laser Enrichment, a subsidiary of GEH, selected GEH's Wilmington headquarters site for a potential commercial uranium laser enrichment facility. This Wilmington headquarters site is also the location of the GNF-A fuel fabrication facility. Subsequently, at a meeting between NRC staff and GEH regarding the proposed laser enrichment facility, NRC staff learned that there may be some connection between the laser enrichment facility and fuel fabrication facility processes.

The NRC staff is seeking assistance with the development of an environmental assessment (EA) to document the environmental impacts of this license renewal.

2.0 OBJECTIVE

The objective of this task order is to obtain assistance with the development of an EA including related necessary information (e.g., requests for additional information to the licensee/applicant, and any site-specific information related to Section 7 - Endangered Species Act and/or Section 106 consultations of the National Historic Preservation Act) as outlined below under Section 4.0 - Scope of Work and Deliverables.

3.0 STAFFING

The CNWRA Task Leader shall have in-depth expertise in at least one of the issues covered by the EA and a general understanding of the range of issues covered by NRC EAs as outlined in NUREG-1748. The Task Leader shall have extensive experience in the technical and regulatory aspects necessary for evaluating the environmental impacts of the construction, operation and/or decommissioning of industrial facilities that require reviews under the National Environmental Policy Act (NEPA) such as fuel cycle facilities, or independent spent fuel storage installations and should have expertise in methods used to mitigate the impact on the environment.

Other contractor personnel shall have an appropriate combination of education, training and experience in health physics, ecology, cultural resources, hydrology, geology, risk assessment, air quality, socio-economics, and cost-benefit analysis as necessary to complete the EA.

4.0 SCOPE OF WORK AND DELIVERABLES

The contractor shall develop an EA which the NRC will use to support decisions related to the issuance of a license renewal as described in Section 1.0. The work required is described in detail below.

The work conducted under Task 1 and 2 shall be subject to the project management requirements as described in Section 5.0 of the Statement of Work (SOW).

4.1 TASK 1: COLLECT AND REVIEW INFORMATION

Under Task 1, the contractor shall collect and review information related to the site and its environs including that provided by the NRC Technical Project Manager (TPM), including the current license application and Environmental Report (ER).

The NRC TPM shall provide a copy of potentially relevant documents at the time of issuance of the task order. In addition, the contractor shall identify areas that require further information (this will be completed in Subtask 2A). The information assembled under this task, by collection or review, shall be used directly in Task 2.

The contractor shall visit the site as required by the NRC TPM. The site visit shall be documented in a site visit trip report that describes any information that was learned or requested from the licensee/applicant. The site visit shall be scheduled within at least a ten business day notification from the NRC TPM. The contractor shall coordinate with the NRC TPM, which contractor technical staff are to attend the site visit. The contractor

is advised that coordination with the NRC TPM is required solely to provide the necessary security information for the individual prior to the site visit. Specifically, name of individual, citizenship, etc. The contractor personnel shall be required to provide identification to the site security officer and will likely be escorted at all times. The site visit trip report (only required for a site visit) shall be completed and submitted to the NRC TPM no later than 15 business days after the site visit is completed.

The contractor shall keep the NRC TPM informed (either via e-mail, phone call, or personal meeting) on a bi-weekly basis and describe the information collected and reviewed under this task, including deficiencies found in the license application/ER/SAR, any portions of previous environmental reviews that can be adopted/tiered/incorporated by reference in the EA.

The contractor shall consider any coordination necessary to cover laws and regulations other than NEPA.

Other than the potential site visit and associated trip report, no other formal deliverable is required under Task 1.

4.2 TASK 2: PLAN, DRAFT, AND COMPLETE AN EA

The scope of work under Task 2 shall involve the planning, drafting, and completion of an EA to evaluate the impacts of the proposed action (i.e., license renewal). The effort shall consist of Subtasks (A-C) as described below.

Unless directed otherwise by NRC TPM, the contractor shall concurrently (with Task 1) begin work on Task 2.

SUBTASK A - PREPARATION OF DRAFT EA

The contractor shall follow NUREG-1748, Chapter 3, in preparation of the EA. Deviations from the outline shall be approved by the NRC TPM. The NRC TPM shall provide an example EA, preferably similar in scope to the proposed action, for the contractor to follow. Lengthy EAs are generally not acceptable (i.e., greater than 25 pages for a complex EA) and therefore, any EA longer than 25 pages shall be approved by the NRC TPM. The contractor shall focus the discussion on areas of true concern.

Subtask A1 - Draft Description of the Proposed Action and Alternatives

The contractor shall prepare a description of the proposed action and alternatives consistent with the guidance in NUREG-1748. The proposed action and alternatives shall be based on the NRC TPM's input and the applicant's ER and shall include the "No Action" alternatives as required by NRC regulations. The Description of the Proposed Action and Alternatives shall demonstrate the contractor's understanding of the alternatives and the level of detail required in the subject EA.

This task shall be completed taking into consideration Task 1, and shall be completed no later than 15 business days after the 1st task order issuance. To maintain efficiency, the NRC TPM prefers that this be an informal submittal, via email. This submittal is only being reviewed to verify that the NRC TPM and contractor are in agreement about the scope of the EA.

This task shall also be documented in Subtask A4.

Subtask A2 - Draft Description of the Affected Environment

The contractor shall provide a Draft Description of the Affected Environment. Consistent with 10 CFR Part 51 and the guidance provided in NUREG-1748, effort and attention shall be concentrated on important issues as identified in the applicant's ER, by the NRC TPM, and/or by public comment, as appropriate.

This task shall be coordinated and completed concurrently with Subtask A3.

Subtask A3 - Impacts from the Proposed Action

The contractor shall provide a description of the Impacts for the Proposed Action and Alternatives. For each alternative described in the Final Description of the Proposed Action and Alternatives, the contractor shall assess the impacts of normal operating conditions, including cumulative impacts. The assessment of the impacts shall be based on the guidance provided in NUREG-1748 (e.g., water resources, ecology, air quality, transportation, historical and cultural resources, human health impacts, etc.). The contractor shall limit impact discussions to those areas that are reasonably impacted by the proposed action. The contractor shall develop impacts based on the description of the proposed action and alternatives and the description of the affected environment. The contractor shall describe the applicant's proposed mitigation and monitoring strategies, if applicable, and discuss any additional mitigation and monitoring that may be necessary to ameliorate the impacts, as appropriate. Individuals knowledgeable in the subject area must be able to independently confirm the contractor's calculations.

The contractor shall coordinate development of impacts from accident scenarios with the NRC TPM. Accident scenarios and their impacts will be developed by NRC staff in development of the NRC's Safety Evaluation Report (SER) and will be provided, as necessary, to the contractor for inclusion in the EA.

The NRC TPM will provide any necessary documentation regarding consultations required under the Endangered Species Act and Section 106 of the National Historic Preservation Act.

This task shall be coordinated and completed concurrently with Subtask A4.

Subtask A4 - Submittal of Draft EA

The contractor shall submit a draft EA for the NRC TPM's review. This draft EA shall follow NUREG-1748, Chapter 3. Deviations from the outline shall be approved by the NRC TPM. In the draft EA, the contractor shall note areas where information is missing and is being requested under Subtask B.

To maintain efficiency, the NRC TPM prefers that this be an informal submittal, via email. This submittal is only being reviewed to verify that the contractor is making progress towards Subtask C.

This task shall be completed taking into consideration Task 1 and shall be completed no later than 45 business days after the 1st task order issuance.

SUBTASK B - REQUEST FOR ADDITIONAL INFORMATION (RAIs)

Subtask B1 – Request(s) for Additional Information (RAIs)

If the information provided by NRC or collected in Task 1 is incomplete or inadequate for preparation of Subtask C, the contractor shall prepare appropriate requests for additional information. These requests shall be submitted to the NRC TPM and shall be clear and concise to elicit the additional information from the applicant/licensee. NRC shall prepare and forward the contractor's requests for additional information to the applicant/licensee.

This task shall be completed taking into consideration Task 1 and Task 2, Subtask A, and shall be completed no later than 45 business days after the 1st task order issuance.

The NRC TPM shall provide an example to follow in preparing the request for additional information.

Subtask B2 – Request for Environmental Report Supplement

The contractor shall provide to the NRC TPM a detailed list of the additional information needed to complete Subtask C, including specific information regarding the GEH facility/GNF-A facility overlap. The NRC TPM shall prepare and forward the subsequent request for additional information to the applicant to obtain the information needed.

This task shall be completed taking into consideration Task 1 and Task 2, Subtask A, and shall be completed no later than 30 business days after the 2nd task order issuance.

SUBTASK C - COMPLETION OF FINAL EA

Subtask C1 – Preliminary Final EA

The contractor shall complete the Preliminary Final EA after receipt of the information from Subtask B2. The NRC TPM shall provide any necessary documentation regarding Section 7 consultations under the Endangered Species Act and Section 106 of the National Historic Preservation Act. The NRC TPM shall also provide any necessary discussion of impacts from accident scenarios. The contractor shall gather information relevant to the review including information that may be available in the NRC's Agencywide Documents Access & Management System (ADAMS) as well as relevant environmental documents prepared by other federal and state agencies. The NRC technical project manager may also provide copies of other potentially relevant documents at the time of issuance of the revised task order.

This task shall be completed taking into consideration Subtasks A and B under Task 2 and shall be completed no later than 45 business days after revised task order issuance.

Subtask C2 - Final EA

The contractor shall revise the Preliminary Final EA to incorporate comments from the NRC TPM to produce the Final EA. The contractor shall submit the Final EA to the NRC TPM no later than 10 business days after receipt of the NRC TPM's comments.

5.0 PROJECT MANAGEMENT

Maintain Effective Communication with NRC Staff

The contractor shall maintain effective communication with NRC staff to help coordinate and integrate EA preparation with NRC's technical and decision-making activities. For the duration of Task 1 and Task 2, the contractor shall participate in a bi-weekly telephone call with the NRC's TPM to discuss the progress to date. The contractor's Team Leader and NRC TPM shall participate in quarterly progress meetings held either in Rockville or at the contractor's place of business.

Other Communication

The contractor shall coordinate all necessary NRC communication (other than communications for the Project Officer) for Tasks 1 and 2, through the NRC's TPM.

NRC Comments

The contractor shall resolve all NRC comments through the NRC TPM when making revisions to any deliverable under Task 1 and Task 2.

Quality Assurance for the Project

The contractor shall implement and maintain quality assurance requirements for the project in accordance with Section 14.0 of this SOW.

6.0 ACCEPTANCE CRITERIA

The contractor shall document the preparation of the EA and maintain appropriate records. The Draft EA and Final EA shall provide sufficient detail for members of the public to understand the basis of the conclusions reached. Text shall be supported by appropriate tables and graphics. Each deliverable provided by the contractor shall provide enough technical detail so that the NRC may confirm the contractor's methodologies and calculations.

7.0 LEVEL OF EFFORT

7.1 TASK 1: COLLECT AND REVIEW INFORMATION

Task 1 work shall be initiated upon issuance of the 1st task order (August 2007). The level of effort for work under Task 1 is 0.10.

7.2 TASK 2: PLAN, DRAFT, AND COMPLETE AN EA TO EVALUATE ALTERNATIVES FOR THE PROPOSED GLOBAL NUCLEAR FUEL - AMERICAS LICENSE RENEWAL

Task 2 work shall be initiated concurrently with Task 1 (August 2007) and shall be closed by letter from the NRC after submittal of the Final EA, which shall be due approximately 18 months thereafter. The level of effort for work under Task 2 is 0.46 FTE.

The total level of effort for work under this task order is 0.56 FTE.

8.0 MEETINGS AND TRAVEL

Upon request by the NRC TPM, the contractor's Task Leader shall meet with the NRC Project Officer (PO) and TPM at the NRC office in Rockville, Maryland for a Task Planning Meeting. The contractor shall meet with the NRC TPM and applicant in Rockville, Maryland to discuss requests for additional information. The NRC TPM may choose to periodically meet with the contractor in the contractor's offices to review progress and provide input into the project, as necessary. Meetings requiring contractor travel are summarized below.

Topic	Location	Trips	Days	Staff
Task Planning Meetings	Rockville, MD	1	3	1
RAI Discussion	Rockville, MD	1	3	1
Site Visit	Wilmington, NC	1	3	1

9.0 NRC FURNISHED MATERIAL

The NRC TPM will provide the following materials to the contractor at the beginning of Task 1:

- Applicant's License Application, including the Environmental Report
- Copies of related documents from NRC's docket file
- Copy of NUREG-0650, Revision 1, "Publishing Documents in the NUREG Series," and supporting documents
- Copy of NUREG-1748, "Environmental Review Guidance for Licensing Actions Associated with NMSS Programs"

The NRC TPM will continue to provide related documents from the docket file throughout the completion of Task 1 and Task 2.

10.0 CONTRACTOR ACQUIRED MATERIAL

No materials are expected to be acquired under this task order.

11.0 PERIOD OF PERFORMANCE

The period of performance for this effort shall be for a 1.5 year period to commence on the effective date of the task order award (August 2007).

The deliverables and schedule for work conducted under Tasks 1 and 2 are summarized in Appendix A to this SOW. However, the schedule is expected to be driven by the submittal of license applications/termination requests by the licensees and applicants.

12.0 REPORTS

The site visit report required under Task 1 shall be submitted to the NRC TPM via e-mail.

Submittals for Task 2, Subtask A1 and A2-A4 shall be submitted via electronic mail with attachments consistent with the word processor in use at the NRC (Microsoft Word 2003), along with copies in portable document format (i.e., *.pdf). At a minimum, the contractor shall provide one paper copy of Task 2, Subtask B1, B2, C1, and C2 to the NRC's PO and TPM. Reports on any assessment by the contractor shall be in letter report form.

13.0 TECHNICAL DIRECTION

Gregory Suber is the designated NRC TPM for this procurement. Edna Knox-Davin is the designated NRC PO. Technical instructions may be provided to the contractor during the duration of Tasks 1 and 2 of this task order. Technical instructions shall not constitute new assignments of work or changes of such a nature as to justify an adjustment in cost or period of performance. Directions, if any, for changes in scope of work, cost, or period of performance will be issued by the NRC Contracting Officer.

14.0 STANDARD WORK PRACTICES

For all draft and final reports under this agreement, the contractor shall assure that an independent review of numerical computations and mathematical equations and derivations is performed by qualified personnel other than the original author(s) of the reports and other than the person who performed the original calculation. If the contractor proposes to check less than 100 percent of all computations and mathematical equations and derivations in the report(s) (such as may be the case when there is a large number of routine, repetitive calculations), the contractor must first obtain written approval from the NRC's Project Officer.

In addition, all reports, including those which do not contain numerical analyses must be reviewed by the contractor's management and approved with two signatures. One signature must be from the contractor's Task Leader, and one signature must be from a manager at a higher level than the contractor's Task Leader.

When revisions for the reports are issued, a section must be included in the revised report to document dates of, reasons for, and scope of all changes made since the issuance of the first contractor's approved report.

NRC has the option of appointing a Peer Group to review, comment, and recommend changes to the draft and final reports. The contractor may recommend candidates for the Peer Group for approval by the NRC's TPM or Project Officer.

In the occasion of dissent in the content of the final report, the dissenting party shall have the option of stating its viewpoints and findings in a section of the report.

This section does not intend to create the development of a formal quality assurance program nor does it require formal quality assurance program documentation or review.

15.0 FINANCIAL AND TECHNICAL STATUS REPORTS

The contractor shall submit periodic technical and financial reports in accordance with the contract. The estimated staff effort should be recorded at the subtask level. The work accomplished and the degree of completeness should also be tracked by subtask. The reports are due within 20 calendar days after the end of the report period (i.e., each four week period). The TPM shall receive two copies of the periodic status report, and the Project Officer shall receive one copy. See the contract for further distribution requirements.

APPENDIX A
SCHEDULE AND DELIVERABLES

The schedule for deliverables in Tasks 1 and 2 is outlined below.

<u>Task</u>	<u>Deliverable</u>	<u>Schedule</u>
Task 1	site visit trip report	15 business days after the site visit is completed.
Task 2	(A1) Draft Description of Proposed Action and Alternatives	15 business days after 1 st task order issuance.
	(A2) Draft Description of the Affected Environment	To be incorporated into Subtask A3.
	(A3) Impacts from the Proposed Action	To be incorporated into Subtask A4.
	(A4) Draft EA*	45 business days after 1 st task order issuance.
	(B1) Request(s) for Additional Information	45 business days after 1 st task order issuance.
	(B2) Request for Environmental Report Supplement	30 business days after 2 nd task order issuance.
	(C1) Preliminary Final EA*	45 business days after revised task order issuance
	(C2) Final EA	10 business days after the receipt of NRC's comments on Subtask C1.

*The NRC TPM will have 10 days to review all documents submitted by the contractor (i.e., Draft EA and Preliminary Final EA).