



## Department of Energy

Naval Reactors Laboratory Field Office

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Schenectady, New York 12301-1069

NRLFO:CON:11-061

September 21, 2011

Director, Office of Nuclear Material  
Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555

SUBJECT: U.S. DEPARTMENT OF ENERGY LIABILITY FOR  
DECONTAMINATION AND DECOMMISSIONING OF THE NUCLEAR FUEL  
SERVICES, INC. FACILITY IN ERWIN, TENNESSEE

Via Nuclear Fuel Services, Inc. (NFS) letter (21G-11-0141) dated July 21, 2011, NFS identifies that an updated decontamination and decommissioning (D&D) cost estimate in the amount of \$306,036,000 has been agreed to by the U.S. Nuclear Regulatory Commission (NRC). NFS' letter also requests that the U.S. Department of Energy (DOE) Contracting Officer provide assurance to the NRC regarding its knowledge of the updated estimate and confirmation that the contract identifies this obligation.

DOE's prime contract DE-NR00003 with NFS contains special clauses covering the DOE's contractual liability for D&D through its completion. However, pursuant to these clauses, the estimated cost and funding for the D&D work is negotiated into the contract on an annual basis. While DOE is aware of long-term estimates for this work, the above estimate is not referenced in the contract.

Historically, the NRC has accepted DOE's contract clauses as assurance of DOE's long-term liability for its portion of the costs of the D&D work at Erwin, Tennessee. The DOE's contractual liability for D&D of the NFS Erwin, Tennessee facility under the referenced contract is virtually unchanged from prior years.

NM5501

Director

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If you need any additional information, you may contact me at  
(518) 395-4231.

Sincerely,

A handwritten signature in black ink, appearing to read 'G.W. Twardowski', is written over the typed name.

G.W. Twardowski  
Contracting Officer

cc:

W. R. Hull, NFS

D. A. Delwiche, NRLFO