

From: Elise Heumann
To: Penelope Kinney
Date: 05/03/2006 4:06:16 PM
Subject: FYI: Spent Fuel Transport Risk Assessment Acquisition

We almost got the signature. Bob McOscar had a question from the Chairman about whether FY 2007 \$ that were needed, were budgeted. Happily, John and I trundled up to see Bob, but not quickly enough to get the Chairman's signature today. Victory looks possible by Friday.

Elise

CC: E William Brach; John Cook; Melanie Wong; William Ruland

From: Robert McOsker
To: Cook, John; Heumann, Elise
Date: 05/03/2006 2:39:01 PM
Subject: Spent Fuel Transport Risk Assessment Acquisition

Thank you for coming up on such short notice to talk with me about this acquisition. Unfortunately, we missed the Chairman by a hair - he had to depart while we were still in the conference room. He is on travel through Thursday evening and did not designate an Acting Chairman, so the earliest that the memorandum can be signed is Friday. I will try to notify you informally by e-mail when he signs the memorandum; if you do not hear from me by noon Friday, please feel free to call me to inquire about the status (415-1766).

CC: Olive, Karen; Scott, Mary Lynn

From: Elise Heumann
To: Karen Olive
Date: 05/03/2006 4:26:39 PM
Subject: Reply: Spent Fuel Transport Risk Assessment Acquisition

Karen-

The issue centered on the last sentence of the budget availability statement at the top of page 3 of the Chairman memo.

The statement reads, "Contract support funding for FY 2007 and FY 2008 are included in NMSS's FY 2008 budget." It was not clear that funding was included for **both** FY 2007 and FY 2008.

Elise, x8506

>>> Karen Olive 05/03/06 4:21 PM >>>

Thanks for the update Bob. I've been in PRC budget meetings all afternoon in case you were trying to reach me.

Karen, x2276

>>> Robert McOsker 05/03/06 2:38 PM >>>

Thank you for coming up on such short notice to talk with me about this acquisition. Unfortunately, we missed the Chairman by a hair - he had to depart while we were still in the conference room. He is on travel through Thursday evening and did not designate an Acting Chairman, so the earliest that the memorandum can be signed is Friday. I will try to notify you informally by e-mail when he signs the memorandum; if you do not hear from me by noon Friday, please feel free to call me to inquire about the status (415-1766).

CC: John Cook; Mary Lynn Scott; Penelope Kinney

From: Karen Olive
To: Beverly Anker
Date: 04/25/2006 11:18:27 AM
Subject: Re: NMSS paper status

FYI, the attached questions from the Chairman's staff "stop the clock." They were sent directly to John Cook.

Karen, x2276

>>> Beverly Anker 04/24/06 12:08 PM >>>

Karen,

I am covering for Joyce Fields who is out this week.

I received a call from Elise Heumann, NMSS, regarding their review paper, Spent Fuel Transport Risk Assessment, J5546. It was signed out by Kane for Reyes on April 7. The standard text of the memo states that if NMSS does not hear differently within 15 days, (Friday, April 28), they will go forward with the project.

Elise asked that I check to determine if they will hear something by Friday or if action should be held until after the 25th.

Thanks for your help.

Bev

CC: Elise Heumann; Georgette Price; Susan Bellosi

From: Beverly Anker
To: John Cook
Date: 04/25/2006 2:27:55 PM
Subject: Fwd: Re: NMSS paper status

John,
Once you have prepared a response for Bob McOsker, please e mail it to me so that I can respond to Karen Olive.
Thank you,
Beverly Anker
Acting for Joyce Fields
Procurement Oversight Branch
Division of Contracts, ADM

CC: Elise Heumann; Penelope Kinney

From: Robert McOsker
To: Cook, John; Olive, Karen; Scott, Mary Lynn
Date: 04/25/2006 11:10:47 AM
Subject: Spent Fuel Transport Acquisition

I have a couple of questions on this one:

1. The modification costs 3+ times as much as the original contract, which seemed to be mostly about public outreach in its original form (June 2005). I am not exactly sure why public outreach is a strength of Sandia, so I am not clear on why the original contract was placed with them. Can you explain?
2. What has happened since June 2005, when the contract was originally placed, that leads to a reevaluation of the prior NUREG? The paper cites new models and security assessments. When did we know that we would need to reevaluate the previously performed NUREG? What exactly changed after June 2005 that drives this modification?
3. I can understand why Sandia would be selected to update the NUREG, but I am not clear why we would add that on to a contract about public outreach. Did we need to keep the Sandia researchers together long enough to conduct this updated study?
4. What is the relationship of the contract as modified with the Package Performance Study?

CC: Castleman, Patrick

From: Joyce Fields
To: John Cook
Date: 03/28/2006 5:10:06 PM
Subject: Chairman Paper for "Spent Fuel Transport Risk Assessment" Acquisition

John:

The subject paper is currently under review by OEDO. The following questions/comments require NMSS' response for completion of OEDO's review/ concurrence. Please provide an e-mail to Robert Webber (acting for Mary Lynn Scott) with your responses, as soon as possible. DC (Robert Webber) will provide a consolidated response to OEDO. You may contact me (x6564) if there are any questions. Thanks!

Chairman Review - Spent Fuel Transport Risk Assessment (ML053320276)

Based on recent feedback from the Chairman's office, a description of the work to date and the reason for sticking w/SNL should be added to the transmittal memo. Also, the description/scope indicates there is a related but separate acquisition (#4) - a recent paper w/the Chairman required an explanation of the interrelationship of related acquisitions; can you add a sentence or two to the transmittal memo explaining this. The commencement date of the period of performance has passed - this always causes concern w/the Chairman's staff when the paper is submitted for review, as the Chairman wants to know the impact of not having approval (even though it's a review in this case) in time. Can you easily change the commencement date or indicate in some way that it was an estimate that will be revised to reflect the real date as the process progresses? Please note beginning on page 8 (pgs 8-10) of the SOW the dates have passed too. Also, page 11 of the SOW indicates the period of performance of the existing mod as being April but the transmittal memo says June. The FY 06, 07, and 08 funding does not equal the total funding (it's only off by \$30K but the Chairman's staff will notice this). Is it the program offices that determine OCOIs?

CC: Penelope Kinney; Robert Webber

SFPO response to McOsker questions:

1. The modification costs 3+ times as much as the original contract, which seemed to be mostly about public outreach in its original form (June 2005). I am not exactly sure why public outreach is a strength of Sandia, so I am not clear on why the original contract was placed with them. Can you explain?

The original June 2005 contract had both a public outreach task (prepare visuals to help explain spent nuclear fuel (SNF) transport safety concepts to the public) and a technical task (prepare a letter report assessing the impact of using generic inner canisters on SNF transport risk assessments). Sandia was a clear choice for the technical task because of their internationally recognized transportation expertise, and their previous work for us in this area.

For the public outreach task, the nature of the effort (develop transport safety visuals) requires a thorough understanding of the technical underpinnings of SNF package performance under NRC's hypothetical accident conditions specified in 10 CFR Part 71. For example, a visual might be prepared on the equivalent impact velocities for packages impacting unyielding surfaces (regulatory conditions) vs. yielding surfaces (real world conditions). Also, NRC public messages on SNF transport safety receive considerable scrutiny from those opposed to such shipments. We are unaware of any sources that excel at public outreach, and also possess the requisite technical knowledge and credibility to prepare visuals on these topics. We went with Sandia as the best overall choice, given the need for technical expertise for both the technical and public outreach tasks.

Lastly, note that the increase in cost derives primarily from replacing the original technical task with another that is much larger in scope, as further explained in the response to question 2.

2. What has happened since June 2005, when the contract was originally placed, that leads to a reevaluation of the prior NUREG? The paper cites new models and security assessments. When did we know that we would need to reevaluate the previously performed NUREG? What exactly changed after June 2005 that drives this modification?

We believe the modification builds on the technical assessment contained in NUREG/CR-6672 by adding assessment of specific, rather than generic, inner canisters for SNF casks, modeling impact limiter performance, improving thermal analysis, and other aspects. These additional assessments are intended to address issues identified in reviews conducted after NUREG/CR-6672 was published, including the public screening process used in the early phase of the Package Performance Study. Also note that NUREG/CR-6672 was a Contractor Report, and was not published for public comment. Some western states and local groups objected to this process, and in our replies to them, we committed to addressing public comments in Package Performance Study.

What changed after June 2005 was the recognition that replacing the generic canister assessment and letter report task with a much broader task that included specific canister assessment and other analyses, and then using a public comment and peer review process to finalize and publish a new NUREG (not a Contractor Report) on SNF

transport safety, was an opportunity to be responsive to earlier stakeholder comments and obtain public recognition and support for the NRC's spent fuel shipment safety assessment techniques and outcomes. This objective and desired outcome is what drives this modification.

3. I can understand why Sandia would be selected to update the NUREG, but I am not clear why we would add that on to a contract about public outreach. Did we need to keep the Sandia researchers together long enough to conduct this updated study?

We agree that Sandia is the choice to support NRC in issuing a new NUREG on SNF transport safety. Recall that the original contract was about equally divided between public outreach and technical tasks. The modification adds to (replaces really) the technical task in the original contract (see response to question 1) with a much broader technical effort. The original public outreach task remains, but now constitutes a lesser portion of the modified overall effort. We have kept the Sandia researchers at a low level of effort while we have pursued this modification.

4. What is the relationship of the contract as modified with the Package Performance Study?

The Package Performance Study (PPS) began with a public review process that identified SNF transport safety issues that warranted further assessment (see response to question 2). The nature of the Package Performance Study has since been refocused on physical demonstration testing of SNF packaging such that the identified technical issues not related to package testing are no longer integral to the PPS. These non-testing related issues are still outstanding however, and the modified contract provides the vehicle to address many of them. Note that the modified contract does not involve any SNF full-scale package testing, so the modified contract will not interfere with the PPS, but actually complements the PPS testing and analysis.

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

To: Strosnider, NMSS

CYS: EDO
DEDMRS
DEDR
DEDIA
AO
ADM
EDORIF
4/7/06 memo

May 5, 2006



MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Nils J. Diaz *[Signature]*

SUBJECT: CHAIRMAN REVIEW OF AN ACQUISITION FOR SPENT FUEL
TRANSPORT RISK ASSESSMENT

I have reviewed your memorandum of April 7, 2006, concerning the staff's proposal to modify the existing Statement of Work under a DOE Agreement for services with Sandia National Laboratory to perform an updated analysis of spent fuel transport risk estimates; document the findings in a draft final NUREG report; support the related public comment, peer review, and publication processes; and provide technical support to inform the public of the level of safety provided in NRC's transportation regulations. I have no objection to this proposal, and the staff may proceed to issue a modified Statement of Work extending from May 2006 through September 2008 at an estimated cost of \$974,570. With this extension, the total estimated cost for the project, which began in June 2005, is \$1.2 million.

Given the complementary relationship between this project and the Package Performance Study (PPS), I expect the staff to coordinate the two projects to ensure that the insights from this contract extension will support the effectiveness and credibility of the PPS.

cc: Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
SECY
OGC
OCA
OIG
OPA
CFO

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