



Department of Energy

Naval Reactors Laboratory Field Office

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NRLFO:CON:13-108

July 19, 2013

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

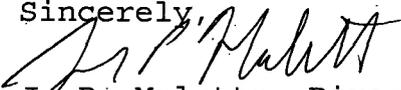
SUBJECT: U.S. DEPARTMENT OF ENERGY LIABILITY FOR
DECONTAMINATION AND DECOMMISSIONING OF THE NUCLEAR FUEL
SERVICES, INC. FACILITY IN ERWIN, TENNESSEE

Via Nuclear Fuel Services, Inc. (NFS) letter (21G-13-0150) dated June 26, 2013, NFS identifies that an updated decontamination and decommissioning (D&D) cost estimate in the amount of \$374,761,000 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-NR00007 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.

If you need any additional information, you may contact M. Z. Pastor at (518)395-6375.

Sincerely,

J. P. Maletta, Director
Contracts Division

cc:

W. K. Wilkerson, NFS
D. A. Delwiche, NRLFO

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