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MAY 14 1984

MEMORANDUM FOR: Neal E. Abrams, Counsel  
 for Labor & Personnel Operations  
 and Administration Division, OELD

THRU: Mark Williams, Chief  
 Technical Assistance Program Management Group  
 Division of Licensing

FROM: Mayo Carrington  
 Technical Assistance Program Management Group  
 Division of Licensing

SUBJECT: DL TECHNICAL ASSISTANCE PROJECT WITH PACIFIC NORTHWEST  
 LABORATORY (PNL) - POTENTIAL CONFLICT OF INTEREST

The Division of Licensing has established a project with PNL to obtain assistance in the technical evaluation of Transamerica Delaval Inc. (TDI) diesel engine reliability and operability. PNL was authorized to begin work on the project February 22, 1984. We later learned, and PNL has now informed us by letter, that they have another project for work involving TDI diesel engines. The issue of a potential conflict of interest, therefore, exists. An ELD opinion on this issue is requested.

A copy of the DL letter and NRC Form 173 authorizing the work at PNL, and a copy of the Statement of Work are enclosed. A copy of the NRC Form 367, DOE Source Selection Justification is enclosed to provide additional background information. The PNL letter notifying us of their other project involving TDI diesel engines, with attached background information, is also enclosed.

From a technical point of view, the two projects are sufficiently disparate that there does not appear to be a potential for conflict of interest. The other PNL project, which is being done for the Maritime Administration for Research and Development, uses TDI diesel engines as test beds for cylinder liners and piston rings developed by a third party. TDI is a subcontractor to PNL to obtain performance of the tests in various TDI engines. This work has no apparent technical pertinence or relationship to the project PNL is conducting for DL. Also, the diesel engine technical expertise for the latter project is being provided by subcontracts with national and international authorities/consultants on diesel engine design, manufacture and operation, rather than by PNL personnel.

Because of the nature of this issue and the fact that work on the DL project is on-going, your response by May 18, would be most helpful.

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 PDR ADOCK 05000322  
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TAPMG	TAPMG	DL	Mayo Carrington
MCarrington:mn	MWilliams	BERINGER	Technical Assistance Program
5/14/84	5/14/84	5/14/84	Management Group, DL
5/14/84	As stated		