

Mr. Thomas E. Tunney, Chief  
Finance Analysis and Operations Division, FMA  
Defense Special Weapons Agency  
6801 Telegraph Road  
Alexandria, VA 22310-3398

April 10, 1998

Dear Mr. Tunney,

SUBJECT: Inter-Agency Cost Reimbursement Order #97-8810/378

Enclosed please find the subject IACRO which I have signed on behalf of the Nuclear Regulatory Commission. Its purpose is to fund NRC in the performance of its work with the Russian Federation Gosatomnadzor (GAN) and other entities to enhance Russian capabilities in performing the necessary regulatory and safety assessments related to the nuclear core conversion project.

Section 3 of the IACRO Statement of Work (SOW) defines the tasks that will lead to the definition of a program of NRC assistance to GAN (Part One). GAN and NRC are now awaiting approval by Minatom of an Arrangement to which GAN and NRC are now in agreement. In anticipation of that approval, representatives of GAN have informally communicated their first request for such assistance and my staff is working them to define the most useful and cost-effective means to respond to this request.

When the Arrangement is signed and the first GAN request fully defined, the request will be forwarded to the Core Conversion Implementing Agreement Executive Agents via Captain Landers, Director of the Core Conversion Project. The degree to which NRC will be able to perform its role will be affected by the efficiency of the subsequent approval process by the Executive Agents and the provision of adequate funds to enable NRC to proceed with the resultant tasks that will then constitute Part Two of Section 3 of the IACRO SOW.

I look forward to the smooth and expeditious implementation of this process and, in the end, to NRC's role in this project effecting real improvements in the safety of the converted reactor designs.

Sincerely,  
Scott F. Newberry Signed For:  
Gary M. Holahan, Director  
Division of Systems Safety and Analysis  
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc: Joel Dorfman OCFO/OBA/FCB  
Dave Lange, EDO  
Janise Dunn Lee, OC  
Capt. K. Landers, CTR Program office, DoD

**Distribution:** File Center PDR DSSA R/F SNewberry GHolahan MRubin  
JDunlee KHendersen DMcPherson JDorfman

DOCUMENT NAME: G:\FRONT0\iacro.ltr

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	OIR								
NAME	JRamsey								
DATE	04/10/98	04/ /98	04/ /98	04/ /98	04/ /98	04/ /98	04/ /98	04/ /98	04/ /98

OFFICIAL DOCUMENT COPY

9804170118 980410  
PDR ORG EUSDOD  
PDR

98-77  
NRC FILE CENTER COPY



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 10, 1998

Mr. Thomas E. Tunney, Chief  
Finance Analysis and Operations Division, FMA  
Defense Special Weapons Agency  
6801 Telegraph Road  
Alexandria, VA 22310-3398

Dear Mr. Tunney,

SUBJECT: Inter-Agency Cost Reimbursement Order #97-8810/378

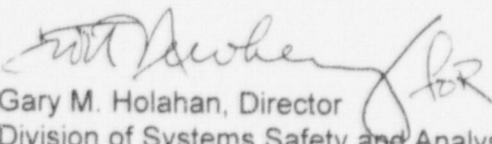
Enclosed please find the subject IACRO which I have signed on behalf of the Nuclear Regulatory Commission. Its purpose is to fund NRC in the performance of its work with the Russian Federation Gosatomnadzor (GAN) and other entities to enhance Russian capabilities in performing the necessary regulatory and safety assessments related to the nuclear core conversion project.

Section 3 of the IACRO Statement of Work (SOW) defines the tasks that will lead to the definition of a program of NRC assistance to GAN (Part One). GAN and NRC are now awaiting approval by Minatom of an Arrangement to which GAN and NRC are now in agreement. In anticipation of that approval, representatives of GAN have informally communicated their first request for such assistance and my staff is working them to define the most useful and cost-effective means to respond to this request.

When the Arrangement is signed and the first GAN request fully defined, the request will be forwarded to the Core Conversion Implementing Agreement Executive Agents via Captain Landers, Director of the Core Conversion Project. The degree to which NRC will be able to perform its role will be affected by the efficiency of the subsequent approval process by the Executive Agents and the provision of adequate funds to enable NRC to proceed with the resultant tasks that will then constitute Part Two of Section 3 of the IACRO SOW.

I look forward to the smooth and expeditious implementation of this process and, in the end, to NRC's role in this project effecting real improvements in the safety of the converted reactor designs.

Sincerely,

  
Gary M. Holahan, Director  
Division of Systems Safety and Analysis  
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc: Joel Dorfman OCFO/OBA/FCB  
Dave Lange, EDO  
Janise Dunn Lee, OC  
Capt. K. Landers, CTR Program office, DoD



## INTER-AGENCY COST REIMBURSEMENT ORDER

DATE:  
15 JAN 98

ORDERING AGENCY (NAME AND ADDRESS)  
Director  
Defense Special Weapons Agency  
ATTN: FMA  
6801 Telegraph Road  
Alexandria, VA 22310-3398

ORDER#:  
97-8801/378AMEND#:  
BASIC

PERFORMING AGENCY (NAME AND ADDRESS)  
U S NUCLEAR REGULATORY COMMISSION  
ATTN: JOEL DORFMAN  
MAIL STOP T9A5  
11555 ROCKVILLE PIKE  
ROCKVILLE, MD 20852

(24 DEC 97)

DESCRIPTION OF SERVICES/MATERIALS TO BE FURNISHED: PROJECT AS OUTLINED IN  
DSWA, PMR LETTER DATED, ~~16 JAN 98~~, SUBJECT: TRANSFER OF DSWA FUNDS FOR FY 97.  
TASK AND WORK UNIT CODES AS FOLLOWS:

TASK CODE	WORK UNIT	AMOUNT
KC	01419	\$30,000.00

REQUEST NOTICE OF ACCEPTANCE BE FURNISHED THE DIRECTOR, DSWA, ATTN: FMA  
AS SOON AS POSSIBLE, BUT NOT LATER THAN 30 DAYS FROM THE DATE OF THIS IACRO.  
PROGRAM ELEMENT CODE: CONTINUATION OF PRIOR YEAR DSWA IACRO.

ACCOUNTING CLASSIFICATION:  
97X0134.4201 9747 P9701-253888 BT01419000 S49146

AMOUNT:  
\$30,000.00

NOTE: IN ACCORDANCE WITH PMR LETTER, THE PERFORMING AGENT AGREES THAT ANY  
RELEASE OF INFORMATION RELATED TO THIS EFFORT SHALL INCLUDE A STATE-  
MENT THAT THE EFFORT WAS OR IS SPONSORED BY THE DEFENSE SPECIAL WEAPONS  
AGENCY. THE PERFORMING AGENT FURTHER AGREES TO INCLUDE THIS CLAUSE IN ANY  
CONTRACTS AWARDED AS A RESULT OF THIS IACRO.

THIS ORDER IS PLACED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 601,  
ECONOMY ACT OF JUNE 1932, AS AMENDED (31 USC 1535). WORK TO BE PERFORMED AND  
MATERIAL TO BE FURNISHED PURSUANT TO THIS ORDER ARE PROPERLY CHARGEABLE TO THE  
APPROPRIATION OR OTHER ACCOUNTS INDICATED ABOVE UNTIL COMPLETION THEREOF.  
THE AMOUNT SHOWN ABOVE IS AN ESTIMATE AND WILL BE ADJUSTED TO THE ACTUAL COST  
OF SERVICES/MATERIALS FURNISHED; HOWEVER, THE AMOUNT SHOWN ABOVE MAY NOT BE  
EXCEEDED WITHOUT PRIOR APPROVAL OF THE ORDERING AGENCY. PROGRESS PAYMENTS  
ARE AUTHORIZED TO THE EXTENT REQUIRED. THE FUNDS IDENTIFIED ABOVE HAVE BEEN  
BUT CANNOT BE OBLIGATED UNTIL DSWA RECEIVES THE PERFORMING AGENCY'S SIGNED  
ACCEPTANCE OF THIS ORDER; THEREFORE, YOUR ACCEPTANCE MUST BE RECEIVED NOT LATER  
THAN 60 DAYS AFTER THE DATE OF THIS ORDER. THE FUNDS PROVIDED BY THIS ORDER CAN ONLY  
BE USED TO SUPPORT WORK EFFORTS OCCURRING PRIOR TO 30 SEPTEMBER 1999. REQUESTS  
FOR REIMBURSEMENT SHOULD BE ACCOMPLISHED VIA MONTHLY (PARTIAL/FINAL) SF 1080  
BILLINGS AND MUST IDENTIFY THE DSWA ORDER NUMBER. THE BILLING ADDRESS FOR  
THESE BILLS IS DIRECTOR, DEFENSE SPECIAL WEAPONS AGENCY, ATTN: FMA, 6801  
TELEGRAPH ROAD, ALEXANDRIA, VA 22310-3398.

TYPED NAME AND TITLE AUTHORIZING OFFICER:  
THOMAS E. TUNNEY, CHIEF, FINANCE ANALYSIS  
AND OPERATIONS DIVISION

SIGNATURE: DATE: 15 JAN 98

THE ABOVE TERMS AND CONDITIONS ARE SATISFACTORY AND ARE ACCEPTED.

DATE ACCEPTED:

TYPED NAME AND TITLE OF ACCEPTING OFFICER:

SIGNATURE:

*John D. [Signature]* for G. T. [Signature] 4/10/98