

Power Reactor and  
Nuclear Fuel Development Corporation

Subject:

88-I-219

November 30, 1988

Mr. Victor Stello, Jr.  
Executive Director  
for Operations  
United States  
Nuclear Regulatory  
Commission  
Washington, D.C. 20555  
U.S.A.

Dear Mr. Stello:

The PNC and the USNRC have negotiated a draft agreement dated November 1988, entitled "Agreement between the United States Nuclear Regulatory Commission and the Power Reactor and Nuclear Fuel Development Corporation on the Testing and Administrative Program for Certifying Plutonium Air Transport Containers" - hereafter the draft agreement.

The PNC represents that it is most desirous of accelerating USNRC's work under the draft agreement because the PNC needs the maximum possible amount of information on this program that the USNRC can develop on or before July 15, 1989, and that, therefore, any work the USNRC performs in this interim period will benefit the PNC.

The PNC represents that due to the time required for internal review and approval of the draft agreement, Governmental clearances, and the administrative processing of funds, the PNC cannot provide initial funding to support the USNRC's work on this program prior to December 20, 1988.


The PNC represents that it is authorized to commit funds for interim work on this program in the amounts and under the terms of this letter of intent.

to be continued ...

The PNC therefore, by this letter of intent, irrevocably commits the sum of \$750,000 to the USNRC for interim work on the program while the draft agreement is being reviewed and processed. Of this sum, no more than \$500,000 shall be spent for interim work on the program, and no more than \$250,000 may be spent on the cost of terminating the interim work, should the PNC and the USNRC fail to agree on the terms of a program for the Phase One work. The PNC agrees that these interim costs include both USNRC's costs and contractor's cost, as defined in the draft agreement. This sum shall be paid to the USNRC no later than December 20, 1988, in the event that the parties fail to sign the draft agreement by that date.

The PNC understands that USNRC, relying on these representations and acknowledgements and the PNC's irrevocable commitment of funds, will therefore initiate work on this program on an interim basis while PNC reviews and obtains necessary approvals for the draft agreement.

Sincerely yours,

  
S. Tsukada  
For Power Reactor and  
Nuclear Fuel Development  
Corporation