

February 20, 2001

Ms. Gloria D. Steele
Acting Deputy Assistant Administrator
Bureau for Europe and Eurasia
U.S. Agency for International Development
1300 Pennsylvania Ave., N.W.
Washington, D.C. 20523

Dear Ms. Steele:

The purpose of this letter is to request your concurrence in an approach proposed by USNRC for consolidating and utilizing the small amounts of remaining Russian and Ukrainian funding provided to USNRC by the May 1994, July 1995, and September 1995 Memorandum of Agreements (MOAs) between USAID and USNRC. These funds were provided to USNRC to support efforts to strengthen the Russian and Ukrainian nuclear regulatory and safety authorities. Your formal concurrence is needed as the approach proposed by NRC for consolidating this funding constitutes a modification to these MOAs.

As you know, the General Accounting Office (GAO) recently concluded an audit of efforts to improve the safety of Soviet-designed nuclear power plants. As a result of this audit, GAO made several recommendations regarding NRC's management of its nuclear safety assistance activities. Consolidation and utilization of the small amounts of remaining Russian and Ukrainian funding provided to USNRC by the May 1994, July 1995, and September 1995 MOAs is viewed by USNRC as an important first step towards addressing the management issues raised by the GAO. USNRC has committed to consolidating and utilizing these remaining funds prior to the end of FY 2001. As such, USNRC would like to ask for your formal concurrence on the consolidation approach described in Attachment 1 by March 1, 2001. No additional funds are needed to support this request.

Should you have any questions regarding this request, please contact Janice Dunn Lee, Director of NRC's Office of International Programs on (301) 415-1780.

Sincerely,

original signed by:

Sharon D. Stewart, Chief
Contract Management Branch No. 2
Division of Contracts and Property Management
Office of Administration

Attachment: As Stated

DISTRIBUTION:

SStewart, ADM	JRamsey, OIP	EDoroshuk, OIP	GFowler, OIP
CTurner, CFO	EMulley, CFO	DMahdi, CFO	JDorfman, CFO
ICoady, CFO	DMPerez, OIP	SAdams, ADM	BKildee, OGC
ADAMS			

DOCUMENT NAME: S:/NIS/RUSSIA AND UKRAINE CONSOLIDATION LETTER.WPD

*SEE PREVIOUS CONCURRENCE

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

OFFICE	OIP/Team A	E	OCFO/DPBA	OGC	OIP/Team A
NAME	JRamsey*		RRough*	BKildee*	GFowler*
DATE	01/11/01		01/30/01	02/09/01	01/30/01
OFFICE	OIP/Team A	C	OIP:DD	OIP:D	ADM/DCPM
NAME	EDoroshuk*		RHauber*	JDunn Lee*	SStewart
DATE	02/13/01		02/14/01	02/14/01	02/20/01

OFFICIAL RECORD COPY

mat
2/15/01



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

February 20, 2001

Ms. Gloria D. Steele
Acting Deputy Assistant Administrator
Bureau for Europe and Eurasia
U.S. Agency for International Development
1300 Pennsylvania Ave., N.W.
Washington, D.C. 20523

Dear Ms. Steele:

The purpose of this letter is to request your concurrence in an approach proposed by USNRC for consolidating and utilizing the small amounts of remaining Russian and Ukrainian funding provided to USNRC by the May 1994, July 1995, and September 1995 Memorandum of Agreements (MOAs) between USAID and USNRC. These funds were provided to USNRC to support efforts to strengthen the Russian and Ukrainian nuclear regulatory and safety authorities. Your formal concurrence is needed as the approach proposed by NRC for consolidating this funding constitutes a modification to these MOAs.

As you know, the General Accounting Office (GAO) recently concluded an audit of efforts to improve the safety of Soviet-designed nuclear power plants. As a result of this audit, GAO made several recommendations regarding NRC's management of its nuclear safety assistance activities. Consolidation and utilization of the small amounts of remaining Russian and Ukrainian funding provided to USNRC by the May 1994, July 1995, and September 1995 MOAs is viewed by USNRC as an important first step towards addressing the management issues raised by the GAO. USNRC has committed to consolidating and utilizing these remaining funds prior to the end of FY 2001. As such, USNRC would like to ask for your formal concurrence on the consolidation approach described in Attachment 1 by March 1, 2001. No additional funds are needed to support this request.

Should you have any questions regarding this request, please contact Janice Dunn Lee, Director of NRC's Office of International Programs on (301) 415-1780.

Sincerely,

Sharon D. Stewart, Chief
Contract Management Branch No. 2
Division of Contracts and Property Management
Office of Administration

Attachment: As Stated

**SUMMARY OF UNOBLIGATED FUNDS FROM
ENCLOSED MEMORANDUMS OF AGREEMENT**

<u>MEMORANDUM OF AGREEMENT</u>	<u>RUSSIA (\$1000)</u>	<u>UKRAINE (\$1000)</u>
MAY 1994	19	47
JULY 1995	6	85
SEPTEMBER 1995	<u>57</u>	<u>14</u>
<u>TOTAL</u>	82*	146**

* Funds are intended for

- 1) Attendance at NRC-sponsored conference (Approximately \$7,000)
- 2) Partial funding for PRA project at Kalinin (Approximately \$17,000)
- 3) Partial funding for inspection workshop and observation in U.S. (Approximately \$58,000)

** Funds intended for

- 1) Consultant in Ukraine (Approximately \$124,000)
- 2) Attendance at NRC-sponsored conference (Approximately \$7,000)
- 2) Annual planning meeting (Approximately \$15,000)

MAY 1994 MEMORANDUM OF AGREEMENT

The May 1994 memorandum of agreement (MOA), as amended, provided NRC with \$5,500,000 in FY 1994 funds from the Freedom Support Act. This involved \$3,000,000 for Russia and \$2,500,000 for Ukraine.

Russia

The May 1994 MOA, as amended, further specifies that the \$3,000,000 for Russia involve:

- o \$150,000 for functional program support,
- o \$80,000 for licensing basis and safety analyses,
- o \$20,000 for inspection program activities,
- o \$400,000 for creation of an emergency response center,
- o \$350,000 for development of a system for safety analysis and licensing of nuclear power plants,
- o \$80,000 for development of a regulatory training program,
- o \$20,000 for creation of an MPC&A system,
- o \$900,000 for development of a probabilistic risk assessment,
- o \$300,000 for an analytical simulator,
- o \$300,000 for licensing and inspection of radioactive materials,
- o \$50,000 for legislative basis for nuclear regulation and legal enforcement,
- o \$300,000 for organizational strengthening, and
- o \$50,000 for an incident reporting system.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$19,000 in unobligated funds and \$15,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with GAN.

Ukraine

The May 1994 MOA, as amended, further specifies that the \$2,500,000 for Ukraine involve:

- o \$150,000 for creation of an emergency response facility,
- o \$20,000 for creation of an MPC&A system,
- o \$380,000 for creation of a regulatory training program,
- o \$10,000 for the conduct of joint inspection activities,
- o \$30,000 for the development of joint inspection activities,
- o \$50,000 for a waste, spent fuel and nuclear materials management program,

- o \$150,000 for functional program support,
- o \$20,000 for creation of a legal framework,
- o \$20,000 for general program development,
- o \$300,000 for development of a research support capability,
- o \$400,000 for general institutional strengthening,
- o \$500,000 for an analytical simulator,
- o \$100,000 for development of a system for safety analysis and licensing of nuclear power plants,
- o \$350,000 for analytical activities related to development of a system for safety analysis and licensing of nuclear power plants, and
- o \$20,000 for creation of an incident reporting system.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$47,000 in unobligated funds and \$15,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with SNRCU.

JULY 1995 MEMORANDUM OF AGREEMENT

The July 1995 memorandum of agreement (MOA) between USAID and USNRC, as amended, provided USNRC with \$5,500,000 in FY 1994 funds from the Freedom Support Act. This involved \$3,000,000 for Russia, \$2,220,000 for Ukraine, \$200,000 for Kazakhstan and \$80,000 for Armenia.

Russia

The July 1995 MOA, as amended, further specifies that the \$3,000,000 for Russia involve:

- o \$200,000 for functional program support,
- o \$100,000 for creation of an emergency response center,
- o \$300,000 for creation of an MPC&A system,
- o \$950,000 for development of a probabilistic risk assessment,
- o \$500,000 for organizational strengthening, and
- o \$950,000 for an analytical simulator.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$6,000 in unobligated funds and \$2,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with GAN.

Ukraine

The July 1995 MOA, as amended, further specifies that the \$2,220,000 for Ukraine involve:

- o \$200,000 for functional program support,
- o \$10,000 for general program development,
- o \$150,000 for creation of a regulatory training program,
- o \$40,000 for the development of joint inspection activities,
- o \$20,000 for development of fire protection regulations,
- o \$200,000 for creation of an emergency response facility,
- o \$50,000 for creation of an incident reporting system,
- o \$500,000 for development of a research support capability,
- o \$500,000 for general institutional strengthening,
- o \$300,000 for an analytical simulator,
- o \$100,000 for development of a system for safety analysis and licensing of nuclear power plants, and

- o \$150,000 for creation of an MPC&A system.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$85,000 in unobligated funds and \$221,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with SNRCU.

SEPTEMBER 1995 MEMORANDUM OF AGREEMENT

The September 1995 memorandum of agreement (MOA) between USAID and USNRC, as amended, provided USNRC with \$3,400,000 in FY 1995 funds from the Freedom Support Act. This involved \$2,500,000 for Russia and \$900,000 for Ukraine.

Russia

The September 1995 MOA, as amended, further specifies that the \$2,500,000 for Russia involve:

- o \$50,000 for functional program support,
- o \$175,000 for development of a system for safety analysis and licensing of nuclear power plants,
- o \$100,000 for the development of joint inspection activities,
- o \$300,000 for creation of an emergency response center,
- o \$100,000 for creation of a regulatory training program,
- o \$250,000 for development of fire protection regulations,
- o \$900,000 for development of a probabilistic risk assessment,
- o \$25,000 for creation of a legal framework, and
- o \$600,000 for an analytical simulator.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$57,000 in unobligated funds and \$25,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with GAN.

Ukraine

The September 1995 MOA, as amended, further specifies that the \$900,000 for Ukraine involve:

- o \$150,000 for creation of a regulatory training program,
- o \$200,000 for development of fire protection regulations,
- o \$100,000 for creation of an emergency response facility,
- o \$250,000 for general institutional strengthening, and
- o \$200,000 for an analytical simulator.

USNRC subsequently placed these funds into different categories (referred to as job codes), with one or more job codes assigned to each activity described in the MOA. The amount of

September 1995 Memorandum of Agreement 2

funding in each of these job codes was established commensurate with the maximum activity funding amount specified in the MOA.

As of December 31, 2000, USNRC had remaining in these different job codes approximately \$14,000 in unobligated funds and \$54,000 in funds obligated but not spent.

USNRC desires the authority to consolidate all remaining unobligated funds in these different job codes into a single job code. Approval for the consolidation of future deobligations and rebates is also requested. Upon your approval of the funds consolidation, NRC intends to utilize these funds to support all ongoing or planned nuclear safety assistance activities with SNRCU.