



April 3, 1998

John Wagoner, Manager
Department of Energy, Richland Operations
PO Box 550 (A7-50)
Richland, WA 99352

Subject: Spent Nuclear Fuel Project Concerns

Dear Mr. Wagoner:

The Hanford Advisory Board is extremely concerned with the cost overruns, schedule uncertainty and management problems associated with the Spent Fuel project. The Board recognizes legitimate technical issues contribute to the delays and overruns. Still, assessments done by the Defense Nuclear Facility Safety Board, the Department of Energy (DOE) and Fluor Daniel Hanford (FDH) indicate the root cause of the problems as poor management. In a letter to Assistant Energy Secretary Al Alm dated November 18, 1997, the Defense Nuclear Facilities Safety Board stated "The root cause of the significant schedule delays encountered is arguably the lack of dedicated sound project management by DOE-RL and its contractors." Although these difficulties are outlined in detailed reports, it is not evident that adequate corrective actions have been taken.

The failure of DOE, DESH, and FDH to adequately manage one of the most critical aspects of the environmental cleanup at Hanford has caused concern in Congress and has damaged the credibility of the site. As part of the management and integration contract, DESH must perform to the expectations and requirements of Fluor Daniel Hanford (FDH). FDH, in turn, must perform the work specified in their contract with the Department of Energy (DOE).

We believe that DESH has had adequate time to come up to speed and should have put in place a management system that provides structure and direction to accomplish the work at the K Basins. Unfortunately, we do not have confidence that adequate corrections have been made to date, nor is a commitment to resolve these management problems evident.

The Hanford Advisory Board urgently requests copies of corrective actions being taken to remedy DOE, FDH, and DESH management inadequacies. We also would like to know how long FDH and DESH will be given to make these corrections. With potential Congressional hearings in May it does not seem unreasonable that corrective actions should be in place by the end of April.

Very truly yours,

Merilyn B. Reeves, Chair
Hanford Advisory Board

cc: The Honorable Federico Peña
James Owendoff, Department of Energy Headquarters
Tom Fitzsimmons, Washington Department of Ecology
Chuck Clarke, Environmental Protection Agency
Alice Murphy, Designated Federal Official
The Oregon and Washington Congressional Delegations
Randy Smith, Environmental Protection Agency
Dan Silver, Washington Department of Ecology

This letter represents HAB consensus for this specific topic. It should not be taken out of context to extrapolate Board agreement on other subject matters.

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