



Many Voices Working for the Community

Oak Ridge Site Specific Advisory Board

April 9, 2008

Mr. Steve McCracken
Assistant Manager for Environmental Management
DOE-Oak Ridge Office
P.O. Box 2001, EM-90
Oak Ridge, TN 37831

Dear Mr. McCracken:

Recommendation 168: Recommendation on the FY 2010 DOE-Oak Ridge Environmental Management Program Budget Request

At our April 9 meeting, the Oak Ridge Site Specific Advisory Board approved the enclosed recommendation.

We appreciate your consideration of this recommendation and look forward to receiving your written response by July 9, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance J. Mezga".

Lance J. Mezga, Chair

Enclosure

cc/enc:

Dave Adler, DOE-ORO
Mike Farmer, Roane County Mayor
Doug Frost, DOE-HQ
Pat Halsey, DOE-ORO
Connie Jones, EPA Region 4
Rex Lynch, Anderson County Mayor
James O'Connor, Oak Ridge City Manager
Melissa Nielson, DOE-HQ
John Owsley, TDEC



Oak Ridge Site Specific Advisory Board Recommendation 168: Recommendation on the FY 2010 DOE-Oak Ridge Environmental Management Program Budget Request

Background

Each year the U.S. Department of Energy (DOE) Headquarters Environmental Management (EM) Program builds its budget request for two years out from requests supplied by the DOE EM field offices. Headquarters issues guidance to the field offices regarding how much money they should plan on having appropriated (the target) and general priorities for spending that money. The field offices brief their regulatory bodies and the public and then submit an Integrated Priority List to Headquarters confirming how target monies will be allocated. An FY 2010 consolidated budget calendar illustrating the process is included as Attachment 1.

In February 2008, DOE Assistant Secretary for EM James Rispoli issued clarifying guidance regarding the involvement of the EM Site Specific Advisory Board (EM SSAB), regulators, and other stakeholders in the EM budget formulation process. The guidance was issued to help address ambiguities resulting from guidance issued by EM in February 2007. The intent of both sets of guidance was to establish a consistent approach for EM SSAB involvement in the budget formulation process.

At the local level, DOE-Oak Ridge EM provided the Oak Ridge SSAB (ORSSAB) with a briefing on the FY 2010 EM budget priorities at the board's February 13, 2008, meeting. The validated baseline was presented to the board at the March 12, 2008 meeting. The board was asked to provide DOE-Oak Ridge EM with recommendations and comments on the draft FY 2010 budget request in time for Oak Ridge to include them in its submittal to DOE-Headquarters on April 10, 2008.

Discussion

The ORSSAB Board Finance & Process and Environmental Management committees discussed the DOE-Headquarters budget guidance issued to DOE-Oak Ridge in late March 2008 (Attachment 2) and evaluated the FY 2010 budget requirements. The guidance was evaluated in light of information provided to the board on the FY 2008 allocation and the FY 2009 President's budget submission (Attachments 3 & 4). Based on these evaluations and discussions at committee meetings, the following recommendations were developed.

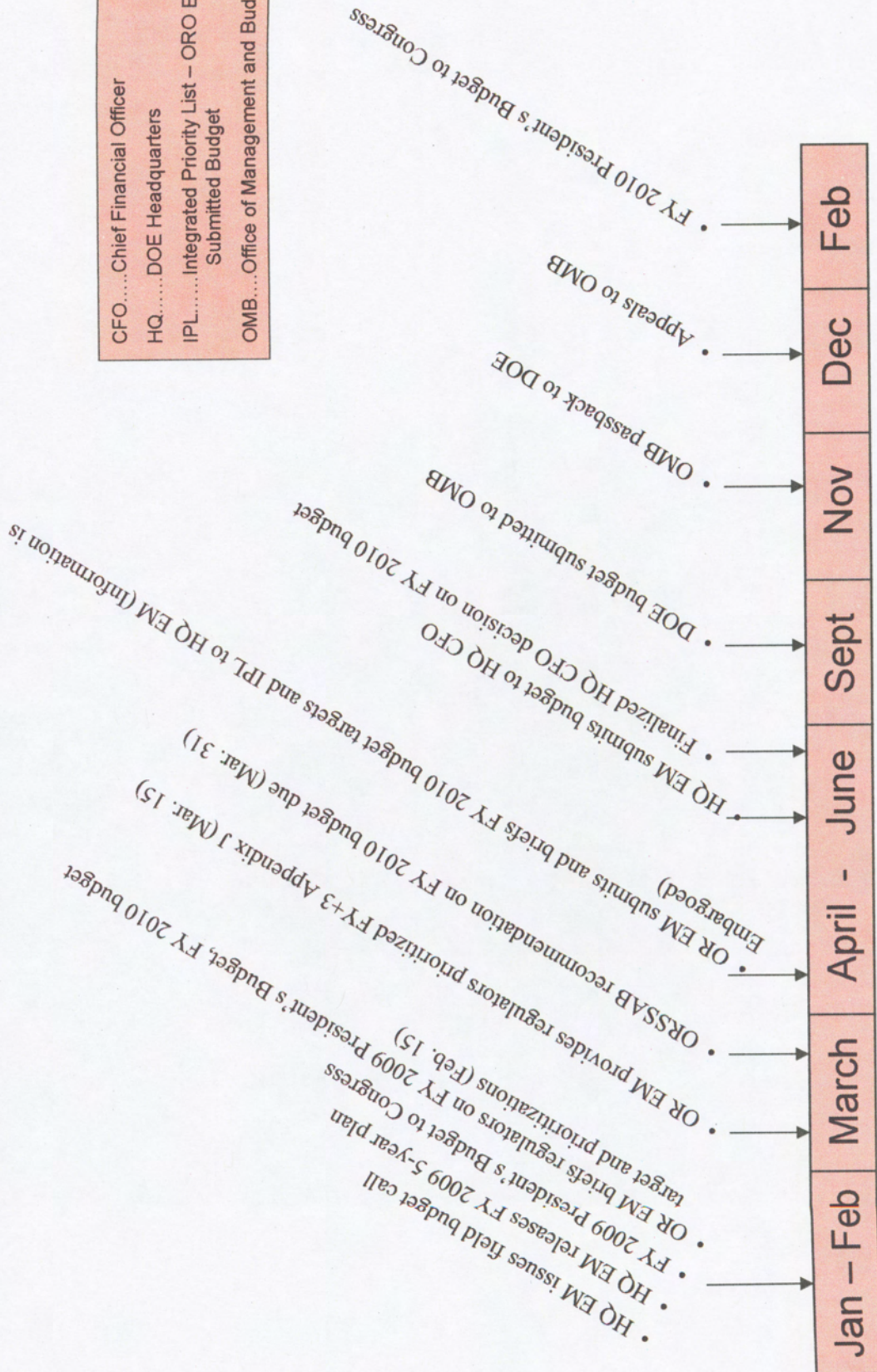
Recommendations

1. ORSSAB continues to recommend that worker/public safety and regulatory permit compliance projects should be the highest priorities for EM funding distribution.
2. We recognize that worker benefits are sacrosanct, and we recommend that they continue to be considered so in the EM budget.
3. We find it unacceptable that for the second year in a row certain Federal Facility Agreement compliance agreement milestones have been missed due to inadequate budget provided by DOE for EM scope. We believe that renegotiation of those missed milestones, with credible, realistic new schedules should be conducted in good faith with the regulators. The DOE-Oak Ridge EM budget targets for FYs 2010–2014 should be restored to at least the FY 2006 funding allocation level.

4. While it was encouraging to see that Project Baseline Summary (PBS)–specific funding authorization was provided for conducting the Building 3019 project at Oak Ridge National Laboratory, it was also clear that no increase of overall funding to support that work within the EM baseline was provided in parallel. Hence, our recommendation from last year still stands—additional funding must be provided to meet the critical Building 3019 work scope.
5. For the second year in a row, inadequate funding has resulted in a backlog of newly generated waste requiring treatment and disposal. While ORSSAB agrees with the overall risk-based budget prioritization that has allocated available funds to other task areas, it is unacceptable that adequate funds for day-to-day waste operations cannot be made available by EM for its stated waste management mission.
6. The anticipated budget shortfall associated with the President’s FY 2009 budget submission is expected to impact the implementation of important Y-12 mercury-related contamination projects and planned field work. Furthermore, this shortfall is unacceptable given the significant delays in the East Tennessee Technology Park (ETTP) remediation activities and projected closure and transfer of the ETTP site. The FY 2010 targets for PBS OR040 and OR041 should be increased to adequately address both of these concerns, ensure the implementation and continuation of these CERCLA projects, and close out the ETTP site earlier than is currently baselined.
7. ORSSAB was pleased with DOE’s CD-0 approval for the Integrated Facilities Disposition Project scope and the progress being made on development of the follow-on CD-1 package by the Integrated Project Team in Oak Ridge. The board fully supports this important program and recommends that DOE approve the CD-1 package in FY 2008. Follow-on risk analysis, project reprioritization, and associated compliance milestones renegotiation will be critical tasks for ensuring that the most important remediation work scope be accomplished with the available budget over the upcoming 5-year period.
8. ORSSAB was limited in its ability to maximize board member and community input because of the timing of the release of budget guidelines and the short deadline for submitting comments. The late release of the FY 2010 budget guidance and the uncertainties associated with the timing of the release greatly impeded the board. We recommend that DOE provide a clear timetable and provide timely release of information in future budget processes to allow adequate time for public review and comment. A 60-day review period is recommended at the local level. If for some reason a delay to this timeframe is necessary, DOE EM headquarters should provide clear and early communications with the EM SSABs as to why the delays will be necessary and when the guidance will be provided to allow the boards to adequately schedule time and resources during the available time.

FY2010 EM/CFO Consolidated Budget Calendar

CFO..... Chief Financial Officer
 HQ..... DOE Headquarters
 IPL..... Integrated Priority List – ORO EM Submitted Budget
 OMB..... Office of Management and Budget



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FY2010 – FY2014 Budget Authority

PBS	BUDGET REQUIREMENTS					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	
PBS 13B - Waste Management	74,087	115,254	82,448	73,210	70,500	
PBS 31 - Offsite Projects	930	67	68	-	-	
PBS 41 - Y-12 Cleanup	70,495	42,822	94,939	107,245	100,603	
PBS 42 - ORNL Cleanup	83,880	82,339	144,164	126,566	156,193	
PBS 11Z - U-233 Line Item	38,900	38,100	33,300	45,000	44,600	
PBS 100 - AIP	6,253	6,409	6,569	6,733	6,901	
PBS 43 - Centrifuge Facilities	-	-	-	4,177	21,627	
Total Oak Ridge	274,545	284,991	361,488	362,931	400,424	
PBS 20 - Safeguards & Security	28,438	22,400	16,065	16,191	16,773	
Total Safeguards & Security	28,438	22,400	16,065	16,191	16,773	
Total Defense Environ Cleanup	302,983	307,391	377,553	379,122	417,197	
PBS 40 - ETTP Cleanup	172,166	166,989	96,100	105,220	74,457	
PBS 102 - Contractor Liabilities	13,324	18,751	19,872	20,534	21,999	
Total D&D Fund	185,490	185,740	115,972	125,754	96,456	
Grand Total OR PBS	488,473	493,131	493,525	504,876	513,653	

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FY 2008 Funding Update

- ORO EM Budget Request - \$660M
- President's Budget: \$428M
- Funding Appropriation: \$491M
 - Increase by PBS:
 - OR-0040 (ETTP)
 - OR-0031 (Offsite)
 - OR-0011Z (Building 3019)
- Work Priorities in 2008
 - TRU & Waste Management (13B)
 - Building 3019 (11Z)
 - Witherspoon Site (31)
 - K-25 Building (40)
 - Initiate Remediation at Y-12 (41)
 - Initiate Remediation at ORNL (42)
 - MSRE (42)
 - IFDP Planning

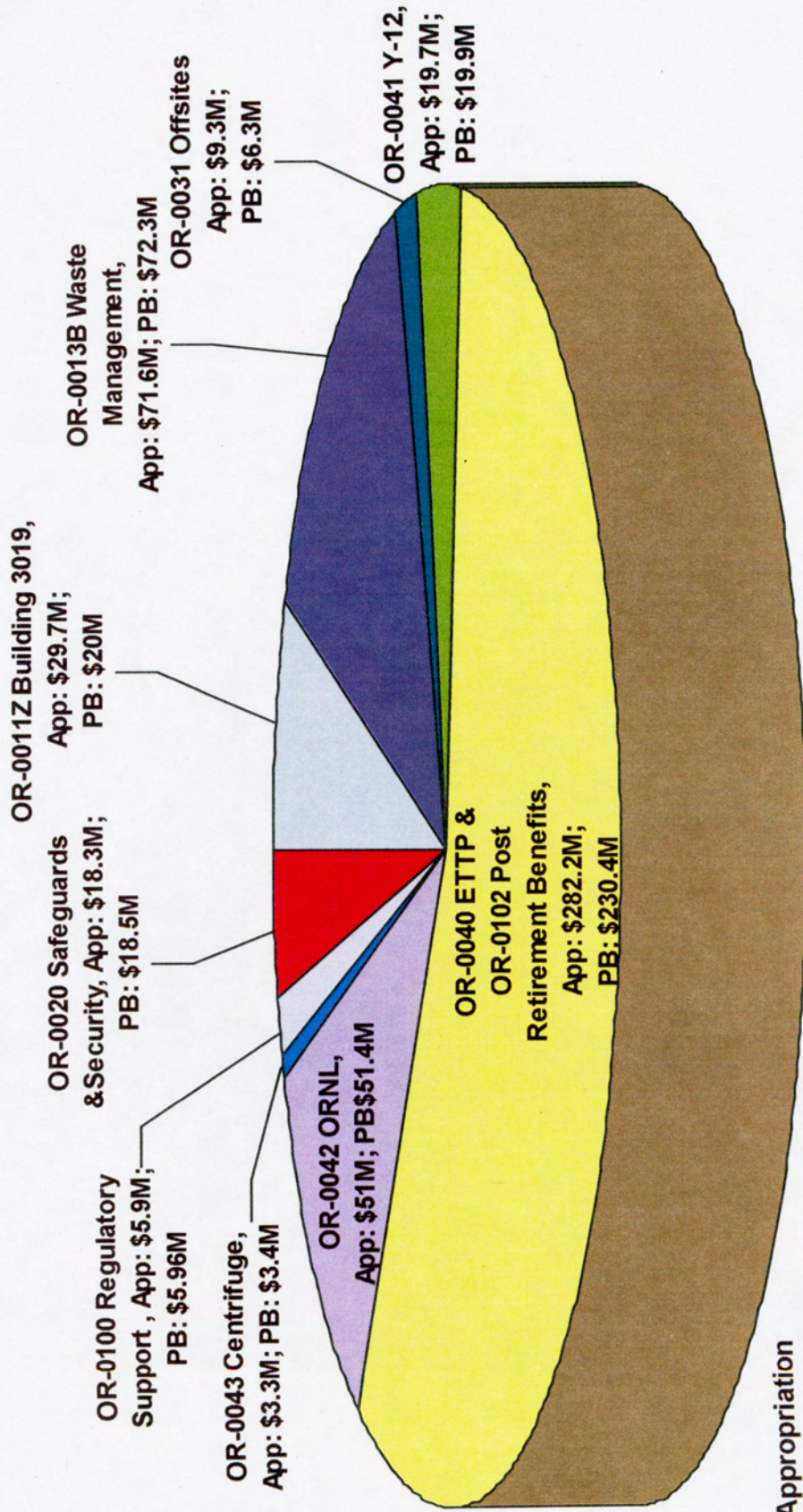


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FY 2008 Funding by PBS



App: Appropriation
PB: President's budget



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FY 2009 President's Budget

- ORO EM 2009 Budget Submission - \$6664M
- 2009 President's Budget \$449M
 - Increases: PBS OR-0040 (~\$10M)
 - Decreases: PBS OR-0041 (~\$20M)
- Congressional Budget Hearings

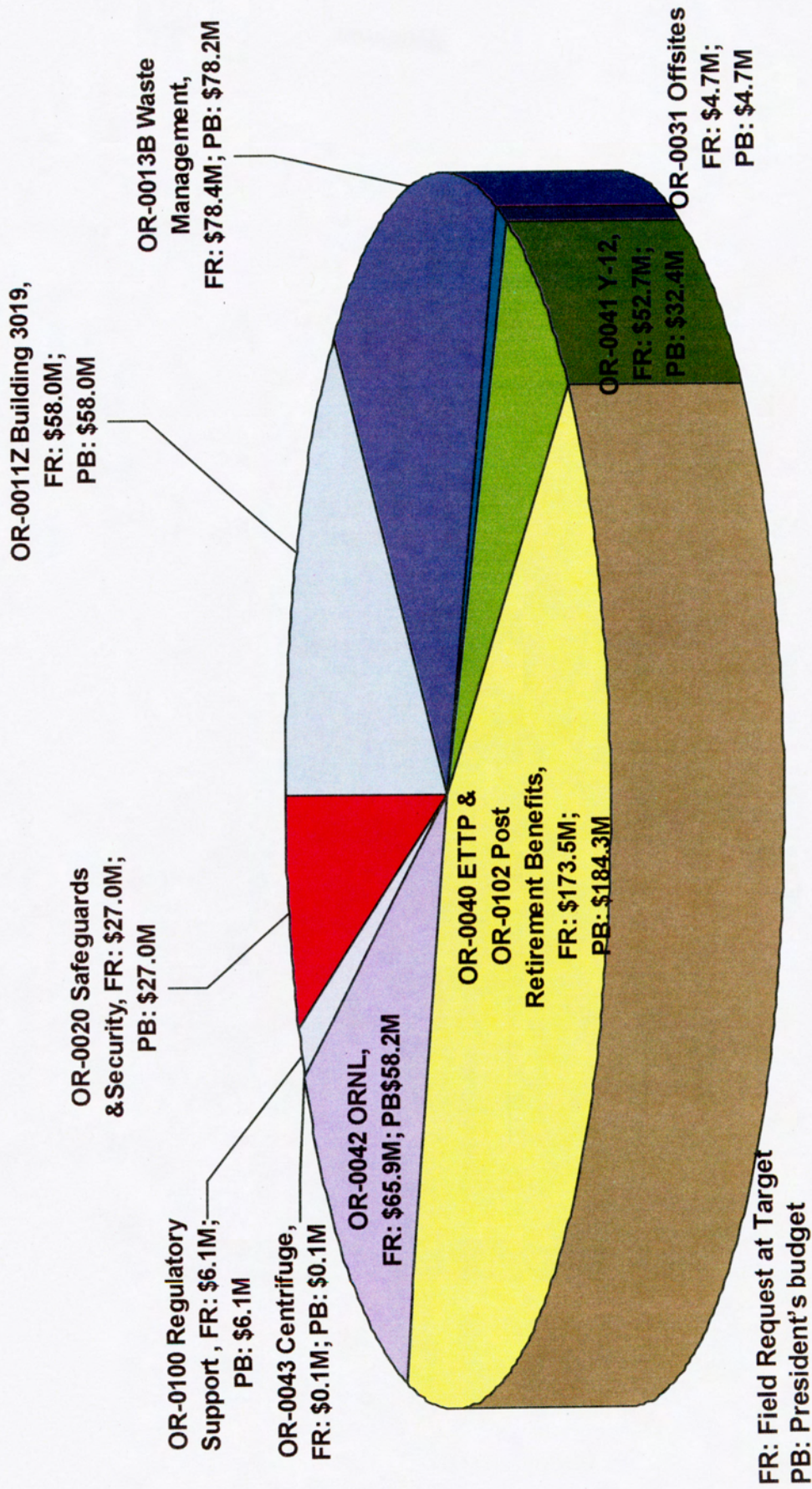


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FY 2009 Budget by PBS



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