



HAB Consensus Advice #18, PRIVATIZATION

This letter is to convey Hanford Advisory Board advice on the proposed privatization of Hanford's Tank Waste Remediation System. The HAB supports evaluation of privatization of selected Hanford activities, consistent with the following objectives:

- Increases operating efficiencies and reduces overall cost
- Meets performance and schedule requirements of the program
- Assists in stabilizing local employment
- Provides opportunities for economic diversification
- Protects worker safety, regulatory oversight and public involvement

The Board understand DOE's pressing timeline in making a decision on this issue. However, the short sixty day "consultation" period is not adequate to consider this proposal. To consider such drastic changes to the largest program at Hanford, stakeholders (and indeed DOE) must have more time to consider this and other proposals. Therefore, the Board offers this input with the hopes of a continuing dialogue in a more lengthy consultation period.

Privatization appears to hold promise at Hanford. However, DOE has yet to make a sound, credible case for this privatization proposal. Too many questions remain unanswered. These questions pertain to liability, budget, regulatory, logistic, and technical issues (a list of HAB issues is attached).

DOE does not appear to have developed a "fall back" position in the event that privatization fails. This is particularly worrisome in that privatization will likely result in drastic reductions in Hanford site staffing and technical resources. A lack of continuity between a privatization failure and DOE attempts to recover (without adequate site resources) could significantly delay the program.

DOE has not considered alternatives to meeting Tri-Party Agreement milestones other than privatization. This oversight fails to use the technical strengths on site in trying to devise a creative solution to this very pressing and difficult problem. Other alternatives must be considered.

Given DOE's limited privatization history, the Board is concerned about DOE's ability to privatize such a complex, expensive program. For the same reason, the Board has doubts about DOE's ability to reduce costs via this privatization approach.

While the Board has not come to a determination on the viability of the TPA baseline under current funding scenarios, limited consideration of alternatives is warranted. DOE should therefore begin investigation into more efficient means to achieve the TWRS mission outlined in the TPA. Such investigations should include, but not be limited to, privatization.

In addition to limited alternative investigations (which should not dramatically defer monies from the baseline) DOE should continue with the Tri-Party Agreement baseline approach. The Board continues to view the TPA as a legally binding document protecting health and the environment in the region.

The Board looks forward to a productive and continuing dialogue on this issue.

[Hanford Home Page](#) | [HAB](#) | [Advice Index](#)

For questions or comments, please send [email](mailto:Hanford_Advisory_Board@rl.gov) to Hanford_Advisory_Board@rl.gov

HAB Consensus Advice #18

Subject: Privatization

Adopted: April 7, 1995