



June 4, 1999

Mr. James Owendoff, Assistant Secretary
Office of Environmental Management
U.S. Department of Energy
1000 Independence Ave. S.W.
Washington, DC 20585

Subject: Tank Waste Treatment Alternative Financing

Dear Mr. Owendoff:

Participation in a credible review of alternative contracting and financing mechanisms for the Tank Waste Treatment vitrification plant contract is important to the Hanford Advisory Board (HAB) as a potential means of reducing the costs of treatment and/or increasing the pace of waste retrieval and treatment. Past advice by the HAB, which the U.S. Department of Energy (DOE) accepted, has resulted in savings of very large amounts of clean-up funds. In particular, the Board utilized an independent expert team to craft advice on new double-shell tank costs and capacity needs. The Board's advice resulted in savings of hundreds of millions of dollars.

The HAB understands that DOE has a variety of expert panels, including the contract with Burns and Roe to form an expert panel to review DOE's analysis of alternative contracting and financing mechanisms. To be credible, DOE's analysis of alternative contracting and financing mechanisms must be an open, independent process and result in an understandable and credible product in order to be accepted by the public and Congress.

1. The HAB does not have the expertise to adequately review and provide comments on the DOE Tank Waste Treatment alternative financing and contracting policy analysis. Therefore, the HAB requests DOE include HAB-selected experts in this important review, as is consistent with the HAB charter allowing for independent review of major policy issues.
2. The HAB will select a minimum of two independent experts to participate on DOE's expert review panel. These HAB experts would also educate and advise the HAB on the review of these policy issues.
3. The alternative contracting and financing policy analysis, including the independent review, must be completed at the time of the President's FY2001 budget request submittal to Congress. The budget submittal should reflect a funding request that is supported by a credible policy analysis and cost comparison of alternative contracting and financing mechanisms. The results of this analysis must be fully available for public review.

4. The HAB's independently-selected members to the expert panel will increase DOE's credibility and enhance public confidence in DOE's process and decision making. It will provide the needed expertise for the HAB to participate in and influence the policy-making decisions.

We look forward to your response and to periodic progress updates on this matter.

Very truly yours,

Marilyn B. Reeves, Chair
Hanford Advisory Board

cc: Richard French, DOE-Office of River
Protection
Keith Klein, DOE-Richland Operations
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Washington Congressional Delegations
Michael Gearheard, Environmental
Protection Agency
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This advice 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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For questions or comments, please send [email](mailto:Hanford_Advisory_Board@rl.gov) to Hanford_Advisory_Board@rl.gov
HAB Consensus Advice #95
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