

## Department of Energy

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95-TWR-011

MAV 04 1995

Ms. Marilyn Reeves, Chair  
Hanford Advisory Board  
22250 Boulder Crest Lane, S.E.  
Amity, Oregon 97101

Dear Ms. Reeves:

### INFORMATION ON PRIVATIZATION OF THE TANK WASTE REMEDIATION SYSTEM (TWRS)

I want to extend my thanks to you and members of the Hanford Advisory Board for giving Don Vieth, Sr. Technical Advisor for TWRS, the time and opportunity at the HAB meeting on April 6-7, 1995, to provide information about the concept DOE is considering for privatizing the remediation of tank wastes.

As you know, DOE announced in February that privatization of Hanford's Tank Waste Remediation System is considered feasible and could be cost effective. We reached this decision after careful analysis of key issues and consultation with potential vendors. However, we have found the consultation period, and questions such as those from the HAB, increase our sensitivity to and need for analysis of some additional factors. We are very appreciative of these contributions and our analysis should be more complete as a result. The dialogue has improved our understanding of the scope and detail of the analysis desired. In response to the request of the HAB, the DOE is extending the consultation period for another 60 days in an effort to establish a solid basis of understanding of the concept being pursued and to achieve closure with all parties regarding the desirability of privatization.

Since the beginning of the consultation period, DOE has had more than 80 meetings and informal interactions with organizations, groups, and individuals. At these sessions, we have made a concerted effort to effectively communicate our ideas as well as listen to issues and concerns. We have also conducted follow-up sessions to answer questions so that the understanding of the situation is as complete as possible. During our course, we have recognized the difficulty of communicating this concept within the constraints of the time availability. We further recognize that the concept crosscuts budget, societal, operational, regulatory, financial, risk issues, etc.

Enclosed is a summary of our responses to the questions HAB members asked. We ask you to recognize that this consultation period is being executed while work is still in progress and much of the information that we would prefer to make available is literally still within the minds of those individuals researching the issues instead of on paper. We are continuing to accumulate information and make evaluations. It will be some time before it is all documented. Also, please recognize we are unable to answer some of the questions about contracting and cost estimates because that could compromise the Department's future procurement process, if a decision is made to proceed.

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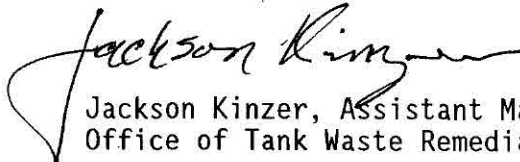
I would appreciate the opportunity for DOE to present an update on our situation, provide the answers to HAB members questions, and express DOE's appreciation to the full Board on May 4, 1995. In the end, DOE wants to make the best possible decision. In the case of this concept, we have found it extremely difficult to adequately explain the concept, receive and understand the diverse concerns, and follow-up with answers to questions. Therefore, I am also offering an additional consultation session to the HAB subcommittee, in which I and my staff will be available for dialogue, on Thursday evening May 4, or Friday, May 5, 1995. Due to the complexity of this concept, the funding climate, and diversity of questions we have heard, we feel that such a session is needed to offer the dialogue that is critical for all of us to assess the desirability of privatization.

In addition, through continued dialogue with the HAB, we will be completing our previously scheduled consultations with local officials and Indian Nations during May 1995. The DOE Energy Systems Acquisition Advisory Board will meet in the middle to late June to consider the feasibility and desirability of the privatization concept and the Secretary will make a decision at that time.

The Department is doing its best to plan for the future without the advantage of a stable situation in which to organize and evaluate costs/benefits and conduct risk assessments. HAB members must understand, that in the end, it may not be possible to have all desirable information at hand before budget and financial decisions must be made.

Thank you again. We look forward to continuing our dialogue on privatization. Should you have any questions, you may contact me or your staff may contact Don Vieth of my staff at (509) 376-7591. Candace Dillman, PNL, is available to work with your staff in arranging for a dialogue session that fits within your HAB agenda for May 4th and 5th. She can be reached at (509) 376-5906.

Sincerely,



Jackson Kinzer, Assistant Manager  
Office of Tank Waste Remediation System

TWR:DLV

Enclosure:

1. Summary of Responses to HAB Questions

**Introduction of Q&A Materials by Don Vieth  
May 4-5, 1995**

Thank you for your questions and time. We have provided both some "focused answers" and "summary-style answers" to your questions.

This information reflects the level of knowledge and understanding at this stage in the consultation process. It is not presented -- nor should it be interpreted -- as complete and conclusive. Therefore, it is furnished to you in a "Consultation Draft" form.

To avoid the historic "decide-announce-defend" approach, we are inviting you to become involved in the comment/resolution, decision-making process at this emerging stage. We welcome and encourage your comments and input on these products understanding that many decisions are yet to be made.

As you review these documents and work with us through the issues, please remember that they are pre-decisional, works-in-progress.

This information is based on a reference case (two phases, two plants per phase, proof of concept, full scale operation, etc.) used as a framework for analysis. The privatization project expects to receive stakeholder input which may change the elements in the framework for analysis.

We look forward to continued interaction with all of you.