



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

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97-EAP-314

Ms. Marilyn B. Reeves, Chair
Hanford Advisory Board
723 The Parkway, Suite 200
Richland, Washington 99352

Dear Ms. Reeves:

**RENEGOTIATION OF HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER
(TRI-PARTY AGREEMENT) MILESTONES TO ADDRESS BUDGET CUTS**

In reference to your letter dated February 7, 1997, same subject, the U. S. Department of Energy, Richland Operations Office (RL) shares the Hanford Advisory Board's expressed concern. Your letter noted twelve Tri-Party Agreement milestones and target dates that could be subject to renegotiation and potential schedule delays. As was noted by RL senior management in public meetings held on January 10, 1997, these potential delays were a component of ongoing Integrated Priority List (IPL) activities and recommendations and represent work-in-progress at that particular point in time. RL is continuing to analyze the project baselines plus newly identified workscope to try to meet compliance agreements as well as reduce urgent risks and maintain a healthy and safe working environment. At the time that RL made its FY 97 budget request, we did request sufficient funds to meet the Tri-Party Agreement requirements. Since the time the funds were requested, however, new workscope was added and cost estimates increased, resulting in a workscope problem for FY 97. Paragraphs 148 and 149 of the Tri-Party Agreement require all three parties (Department of Energy [DOE], U. S. Protection Agency [EPA] and the State of Washington Department of Ecology [Ecology]) to actively involve the public in the budget formulation of the current fiscal year plus future fiscal year requirements.

RL has continued these discussions in public meetings on March 13, 1997, in Richland, Washington; March 18, 1997, in Spokane, Washington; and March 19, 1997, in Portland, Oregon. A final public meeting is scheduled for April 2, 1997, in Seattle, Washington.

The Tri-Party Agreement, by design, is a dynamic compliance order with a rigorous formal contractual change control process. Proposed Tri-Party Agreement changes to enforceable commitments are subject to a number of DOE formal reviews before being forwarded to Ecology and/or EPA for concurrence. The Tri-Party Agreement milestone, proposed date extensions and changes in work scope typically require weeks and sometimes months of discussion with EPA and Ecology before agreement is reached by all three parties. Be assured that our experience has shown that EPA and Ecology take an exhaustive and demanding approach to all Tri-Party Agreement change requests. It is our intent to continue to aggressively work these processes as provided for in the Tri-Party Agreement.

Ms. Marilyn B. Reeves
97-EAP-314

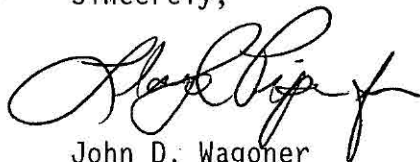
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There are difficult choices that face all of us here at Hanford. RL is committed to protecting the public and our workforce, minimizing risks, and maintaining the integrity of the Tri-Party Agreement. Consistent with these commitments, cleanup progress here at the site has, and continues to be, accomplished. RL, along with the regulatory stewardship of EPA and Ecology, plus the constructive counsel from the Hanford Advisory Board, has been successful in reaching compliance and mediating site issues. We intend to continue to dialogue within this framework as we face difficult budget choices.

RL looks forward to your response and future discussions relative to the Tri-Party Agreement and compliance activities. If you have any questions, please contact me or your staff may contact George Sanders, Administrator, Tri-Party Agreement on 376-6888

Sincerely,



John D. Wagoner
Manager

EAP:GHS

cc: C. Clarke, EPA
T. Fitzsimmons, Ecology
D. Silver, Ecology
R. Smith EPA