

JAN 04 1995

**COMPARISON OF ECOLOGY/EPA AND
HANFORD ADVISORY BOARD RECOMMENDATION
LETTERS ON USDOE-RL FY 1995 FUNDING REALLOCATION**

Ecology and the U.S. Environmental Protection Agency (EPA) Region X recently conducted a detailed review of DOE-RL's FY 1995 funding reallocation options. Resulting comments and recommendations were included in a joint agency letter to Mr. John Wagoner, Manager, Richland Operations Office, on December 22, 1995. Copies were mailed to the HAB on December 28th, 1994.

A draft of the joint agency letter was provided to HAB Dollars and Sense Committee members for their comment and recommendations. It was also discussed during the Dollars and Sense Committee's teleconference meeting on December 19th.

Ecology and EPA would like to emphasize that we are willing work positively and cooperatively with USDOE, stakeholders and the public in order to minimize the impacts of funding shortfalls and productivity challenges upon the Tri-Party Agreement (TPA) and other compliance/regulatory requirements. In this regard, we reinforce our commitments as outlined in TPA paragraphs 148 and 149.

Future USDOE requests to revise the TPA must be based on "...good technical or programmatic reasoning, sound planning and analysis, and well-developed and reasonable cost estimates.

For the following key reasons, USDOE, Ecology and EPA could not endorse any of the specific funding scenarios/options that were proposed by USDOE and its contractors.

1. USDOE and its contractors did not demonstrate an effective, site-wide integrated management approach in developing proposed workscope plans and funding estimates.
2. USDOE and its contractors did not demonstrate sufficient analysis of the outyear workscope, schedule and cost impacts of the proposed FY 1995 funding reallocation options.
3. Ecology and EPA were not satisfied that USDOE and its contractors have fully pursued all available cost cutting/efficiency measure prior to affecting substantive workscope.

Based on these reasons, Ecology and EPA are not inclined to "buy-in" to any pre-determined funding scenario that might negate or place at risk existing Tri-Party Agreement (TPA) milestones and requirements.

A comparison of the joint agency letter and the HAB consensus advice letter follows:

PRIORITIZATION PROPOSALS

Ecology and EPA have, in the past, expressed strong reservations regarding prioritization schemes that are based on a multi-attribute utility analysis approach. Our concerns were stated in detail at the November HAB meeting.

We will look closely at the prioritization methodology that may be used by USDOE and its contractors in revising or developing its FY 1996 and FY 1997 budget plans/requests. We support the HAB's comments in its advice letter.

WASTE MANAGEMENT (NON-TWRS)

Ecology and EPA generally agree with the HAB's advice but with a cautionary statement.

Ecology and EPA are supportive of privatization, but only if USDOE can demonstrate that it has explored all involved management/cost risks and difficulties, and that they can effectively implement a privatization program. To date, USDOE has not been able to do this. Whatever approach pursued must ensure that the required waste management facilities are in place by September 30, 1999.

Ecology and EPA are willing to discuss delay of lab radiation waste line upgrades if it will help resolve the FY 1995 funding shortfall; however, the September 30, 1999 date for TPA major milestone M-32-00 should not be jeopardized.

TWRS

We also generally agree with the HAB's recommendations regarding the TWRS program, with the exception of one key area.

In contrast with the HAB's recommendation to delete all but \$10.6 million in FY 1995 for the full six tank program, we recommend that USDOE continue to fund design and construction activities for two tanks in the 200 West Area, while eliminating design activities for the planned four tanks in the 200 East Area. This approach would focus new double shell tank funding on the area of highest need, while saving significant funding in FY 1995 and the outyears.

We believe that information requested by the HAB on remaining drainable and pumpable liquids in the tanks is available and should be able to be released to the public. Discussions on potential safety and environmental consequences of potential leaks might be speculative but should be discussed along with best waste forms and pollution prevention.

SPENT NUCLEAR FUEL

Ecology and EPA firmly agree with paragraphs 1 through 4 of the HAB's Spent Nuclear Fuel advice.

We also agree with the need to provide accelerated funding for USDOE's Path Forward program, as long as the program is effectively planned and cost estimated, and that available funds can be effectively and efficiently used. Path Forward must be a "product" oriented program.

FACILITIES TRANSITION

Ongoing Facility Transition negotiations are based in large part on the fact that: (1) USDOE has issued shutdown orders covering PUREX/UO3 and the FFTF, and (2) that until transition, these facilities and the PFP carry large yearly mortgages.

We agree that investments in "transition" should not be treated equally, but note that high priority elements are likely to exist at each facility. We believe that in order to be successful, the transition program must be integrated with other aspects of Hanford cleanup.

Ecology and EPA agree that USDOE should not allow its cleanup budget to subsidize defense and energy programs.

TECHNOLOGY DEVELOPMENT

We also firmly agree with the HAB's advice on Technology Development. In its comment letter, Ecology and EPA stated their very strong concerns regarding the national technology development program's (EM-50) capability to support site-driven technology needs.

The national EM-50 program must demonstrate an effective, integrated "needs driven" program. EM-50 must also adhere to the same standards of accountability and openness as other EM programs, particularly with respect to its budget plans and requests.

OVERHEAD AND INDIRECT FUNDED BUDGETS

Ecology and EPA also agree with the HAB's comments regarding overhead and indirect costs. Ecology and EPA recommend that USDOE: (1) set specific productivity and/or cost saving goals for DOE-RL's indirect programs, and (2) that USDOE and contractor achievements in achieving cost savings and eliminating waste be communicated regularly to regulators, stakeholders and the public.