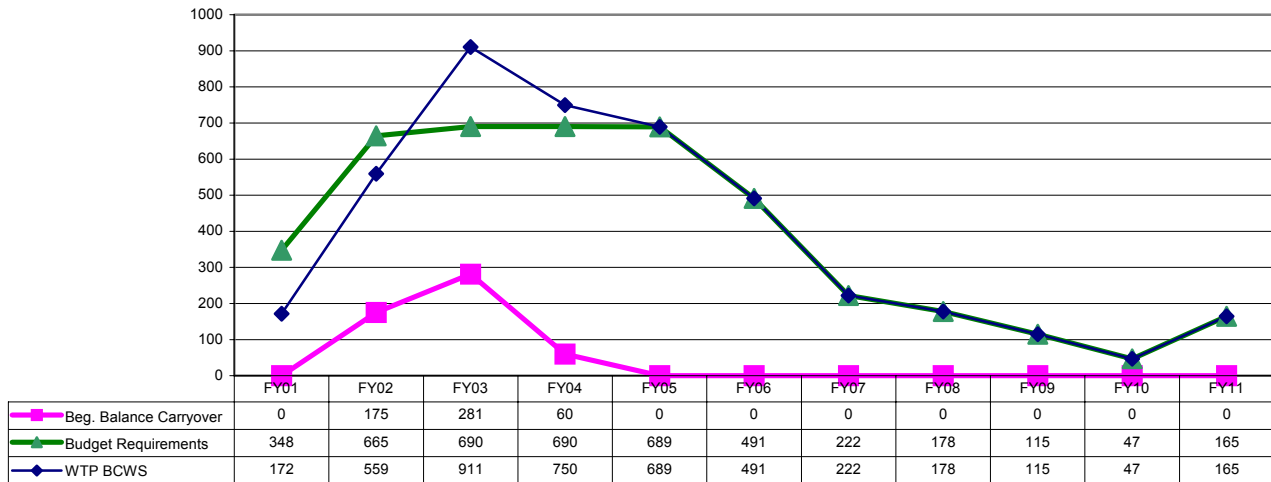


Federal Fiscal year 2002 budget related documentation

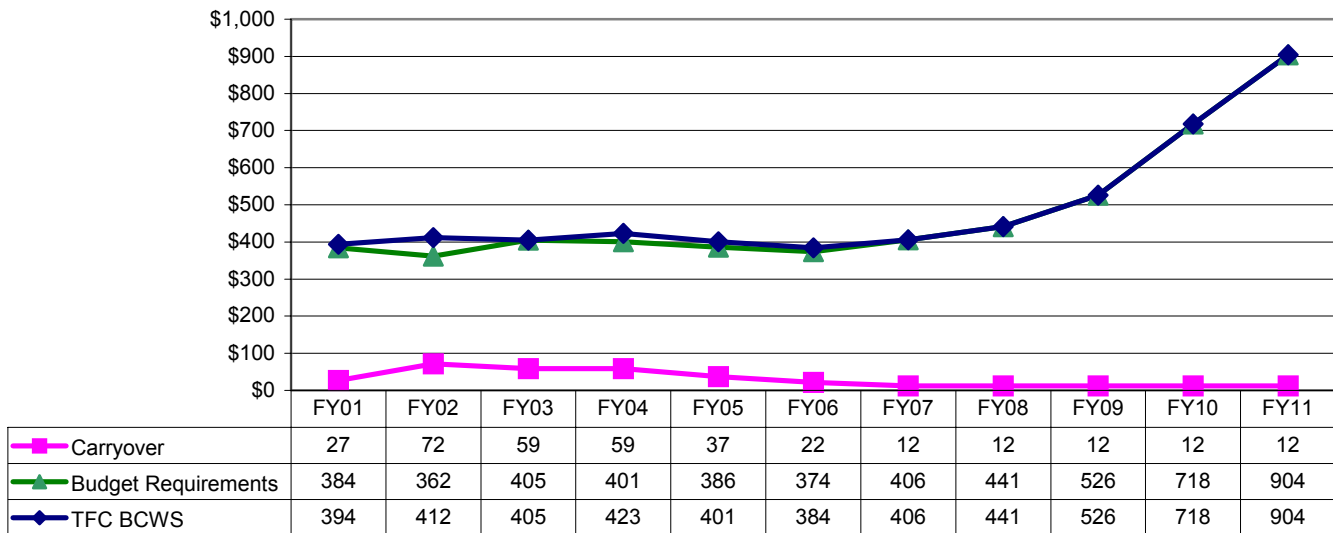
1. ORP budget requirements
2. President's approved FY2002 budget - Conference Committee Report
3. November 27, 2001 letter from Assistant Secretary Roberson (FY2002 budget allocation)

OFFICE OF RIVER PROTECTION FUNDING REQUIREMENTS AS OF FEBRUARY, 2002

**Waste Treatment Plant (WTP) Requirements per approved BNI Baseline
(Dollars in Millions)**



**Tank Farm Contractor (TFC) Requirements*
(Including ORP Program Support & Office of Safety Regulation)
(Dollars in Millions)**



*FY01 & FY02 represent actual funds to support the CHG contract assuming planned efficiencies. FY03- FY11 represent funds necessary to support the baseline and do not take into account possible efficiencies CHG may achieve.

TOTAL REQUIREMENTS	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	Total
TFC/ WTP Carryover	27	247	340	119	37	22	12	12	12	12	12	849
TFC/ WTP Budget Requirements	732	1,027	1,095	1,091	1,075	865	628	619	641	765	1,069	9,607
TFC/ WTP BCWS	566	971	1,316	1,173	1,090	875	628	619	641	765	1,069	9,713

and office of the administrator appropriation accounts. Total funding of \$312,596,000 has been provided, a reduction of \$25,000,000 from the original request. This reduction anticipates efficiencies to be gained through this consolidation and the use of prior year unobligated balances from the three merged program direction accounts.

The conferees do not support increasing the total number of staff in the NNSA. While there is broad agreement that NNSA may not have the appropriate skill mix in its existing work force, there is also broad agreement that simply adding more people is not the answer.

Statutory language providing \$12,000 for official reception and representation expenses has been included.

ENVIRONMENTAL AND OTHER DEFENSE RELATED ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement provides \$5,234,576,000 for Defense Environmental Restoration and Waste Management instead of \$5,174,539,000 as proposed by the House and \$5,389,868,000 as proposed by the Senate. Additional funding of \$1,092,878,000 is contained in the Defense Facilities Closure Projects account and \$153,537,000 in the Defense Environmental Management Privatization account for a total of \$6,480,991,000 provided for all defense environmental management activities.

The conference agreement provides for the purchase of not to exceed 30 passenger motor vehicles as proposed by the House.

The conferees believe the significant cleanup issues before the Department at the Paducah Gaseous Diffusion Plant in Kentucky require continued strong management oversight from Headquarters. The conferees direct that the Secretary provide for the management of environmental matters (including planning and budgetary activities) with respect to the plant through the Assistant Secretary of Energy for Environmental Management. The Assistant Secretary shall ensure that direct communication and thorough consultation exists at all times between herself and the head of the Paducah environmental cleanup programs on all relevant matters.

Low level waste disposal.—The conferees agree that the Department, where cost-effective, should use existing Federal contracts for the disposal of low-level and mixed low-level waste at commercial off-site disposal facilities. Further, before proceeding with any new on-site disposal cell, the Department is directed to submit to the House and Senate Committees on Appropriations an objective analysis comparing the life-cycle costs of on-site versus off-site disposal alternatives. Such analysis must address the concerns identified by the General Accounting Office in its recent report (GAO-01-441), which found that the Department has not made accurate estimates of waste volumes and transportation costs when comparing on-site versus off-site alternatives.

Site/Project Completion.—The conference agreement provides additional funding to mitigate funding shortfalls at the following sites: \$18,000,000 for the Idaho site; \$20,000,000 for the Savannah River Site in South Carolina; \$34,300,000 for the Hanford site in

Richland, Washington; and \$7,000,000 for South Valley, Kansas City, Pantex, and Sandia.

The conference agreement includes \$9,000,000 to expedite the remediation and conveyance of up to 2000 acres of land for the use of Pueblo of San Ildefonso and approximately 100 acres to the County of Los Alamos consistent with the direction of section 632 of Public Law 105-119.

Funding of \$20,000,000 has been provided for a new construction project, Project 02-D-420, Plutonium Packaging and Stabilization, at the Savannah River Site. At the request of the Department, the conference agreement consolidates funding from the following sources for this project: \$7,500,000 from current and prior year balances in Project 01-D-414, Project Engineering and Design (PE&D); \$4,000,000 from prior year balances available from cancellation of Project 01-D-415, 235-F Packaging and Stabilization project; and \$8,500,000 from prior year balances provided to the Savannah River Site in fiscal year 2001 for plutonium stabilization activities.

Funding of \$2,754,000 is provided for Project 01-D-414, Project Engineering and Design, as proposed by the House.

Post 2006 Completion.—The conference agreement provides additional funding over the budget request for several activities. Additional funding of \$105,000,000 is provided for the Idaho site. From within these funds, \$15,000,000 is to initiate activities associated with the demonstration of waste retrieval at the subsurface disposal area at the Idaho National Engineering and Environmental Laboratory (INEEL); \$700,000 is to continue conceptual design activities for a subsurface geosciences laboratory at Idaho; \$4,000,000 is for the Subsurface Science Research Institute operated by the Inland Northwest Research Alliance and the INEEL; and up to \$750,000 is to evaluate the need for a remote-handled transuranic waste facility at ANL-West and initiate conceptual design if needed.

The conferees encourage the Department of Energy to use alternative dispute resolution to resolve claims relating to the contract dispute on Pit 9 at Idaho.

Additional funding of \$125,000,000 is provided for the Savannah River Site in South Carolina. From within available funds, \$8,000,000 is provided for the Savannah River Ecology Laboratory, an increase of \$2,000,000 over the budget request, and \$800,000 is provided to continue the Department's relationship with the University of South Carolina's Center for Water Resources.

Additional funding of \$110,000,000 is provided for the Hanford site in Richland, Washington, to support the River Corridor Initiative. From within available funds, \$8,481,000 is provided for the hazardous waste worker training program, an increase of \$7,481,000 over the budget request, and \$600,000 is provided for State of Oregon oversight activities. The Department is expected to continue making PILT payments at last year's level to counties that have the Hanford reservation within their boundaries.

Additional funding of \$3,400,000 is provided for cleanup activities at the Nevada Test Site and \$3,000,000 to continue the underground test area groundwater flow characterization drilling program.

Additional funding of \$10,000,000 is provided to continue remediation, waste management, and nuclear materials stewardship activities at Los Alamos National Laboratory and to support New Mexico State Agreements-in-Principal requirements.

Additional funding of \$10,000,000 is provided for cleanup activities at the Lawrence Livermore National Laboratory.

Additional funding of \$28,100,000 is provided to the Carlsbad field office. This includes \$17,100,000 for Waste Isolation Pilot Plant (WIPP) operations; \$7,000,000 to implement program-wide best practices to optimize waste processing, develop new technology solutions, and develop a mobile/modular approach for small quantity sites; \$3,000,000 to continue the U.S.-Mexico Border Health Commission/Materials Corridor Partnership Initiative; and \$1,000,000 for research, development, and initial demonstration in support of an experiment to be conducted at WIPP to evaluate the mass of the neutrino.

Office of River Protection.—The conference agreement provides \$1,033,468,000, an increase of \$221,000,000 over the budget request, for the Office of River Protection at the Hanford site in Washington. Funding of \$665,000,000 has been provided for Project 01-D-416, the Hanford Waste Treatment Plant, to vitrify the high-level waste in underground tanks.

While the conferees share Washington State's concern regarding the Administration's inadequate budget request for the Office of River Protection and Hanford cleanup activities and recognize the right of the State to levy fines under the Tri-Party Agreement, the conferees question the constructiveness of the State's imposition of weekly fines due to the Department's failure to begin construction on the waste treatment plant. As demonstrated in this conference, the conferees continue to adequately support this project and believe the weekly fines may only be serving to distract site managers from the mission of cleanup.

Science and technology development.—The conference agreement provides \$255,768,000 for the science and technology development program. The conference agreement provides \$4,000,000 for the next round of new and innovative research grants in the environmental management science program in fiscal year 2002.

The conference agreement includes \$4,000,000 for the international agreement with AEA Technology; \$7,000,000 for the Department's cooperative agreement with the Florida International University; \$27,100,000 for the D&D focus area program; \$33,800,000 for industry and university programs; \$5,000,000 for the Western Environmental Technology Office; \$4,000,000 to continue evaluation, development and demonstration of the Advanced Vitrification System; \$3,000,000 to continue engineering, development and deployment of remote monitoring systems for the underground test area; \$5,000,000 for the Diagnostic Instrumentation and Analysis Laboratory; and \$4,350,000 for the university robotics research program.

Limitation on multi-year funding agreements.—The Department is directed not to sign any new funding agreement that commits more than one year of funding for science and technology activities with any entity. The following types of agreements are exempt from this direction: basic and applied research projects that

Department of Energy (in thousands)

	Budget Request	Conference
Program direction.....	22,600	22,600
TOTAL, NAVAL REACTORS.....	688,045	688,045
OFFICE OF THE ADMINISTRATOR		
Office of the Administrator.....	15,000	312,596
Transferred from other accounts.....	(322,596)	---
Total, Program Level.....	337,596	312,596
TOTAL, OFFICE OF THE ADMINISTRATOR.....	337,596	312,596
TOTAL, NATIONAL NUCLEAR SECURITY ADMINISTRATION...	6,776,770	7,233,465
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.		
Site/project completion		
Operation and maintenance.....	872,030	960,330
Construction		
02-D-402 Intec cathodic protection system expansion project, INEEL, Idaho Falls, ID.....	3,256	3,256
02-D-420 Plutonium packaging and stabilization, Savannah River.....	---	20,000
01-D-414 Preliminary project, engineering and design (PE&D), various locations.....	6,254	2,754 *
99-D-402 Tank farm support services, F&H area, Savannah River site, Aiken, SC.....	5,040	5,040
99-D-404 Health physics instrumentation laboratory (INEL), ID.....	2,700	2,700
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA.....	1,910	1,910
96-D-471 CFC HVAC/chiller retrofit, Savannah River site, Aiken, SC.....	4,244	4,244
92-D-140 F&H canyon exhaust upgrades, Savannah River, SC.....	15,790	---
86-D-103 Decontamination and waste treatment facility (LLNL), Livermore, CA.....	762	762
Subtotal, Construction.....	39,956	40,666
Total, site/project completion.....	911,986	1,000,996
Post 2006 completion		
Operation and maintenance.....	1,680,979	2,105,479
Uranium enrichment D&D fund contribution.....	420,000	420,000
Construction		
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC.....	6,754	6,754

* \$2,000k is for ORP's Immobilized High-Level Waste Storage Facility.

Department of Energy (in thousands)

	Budget Request	Conference

Office of River Protection		
Operation and maintenance.....	272,151	328,151
Construction		
01-D-416 Hanford waste treatment plant, Richland, WA.....	500,000	665,000
97-D-402 Tank farm restoration and safe operations, Richland, WA.....	33,473	33,473
94-D-407 initial tank retrieval systems, Richland, WA.....	6,844	6,844
Subtotal, Construction.....	540,317	705,317
Subtotal, Office of River Protection.....	812,468	1,033,468
Total, Post 2006 completion.....	2,920,201	3,565,701
=====		
Science and technology.....	196,000	255,768
Excess facilities.....	1,300	5,000
Safeguards and security.....	205,621	205,621
Program direction.....	355,761	355,761
Subtotal, Defense environmental management.....	4,590,869	5,388,847
=====		
Use of prior year balances.....	-36,770	-56,770
General reduction.....		-92,110
Less security charge for reimbursable work.....	-5,391	-5,391
=====		
TOTAL, DEFENSE ENVIRON. RESTORATION AND WASTE MGMT	4,548,708	5,234,576
=====		
DEFENSE FACILITIES CLOSURE PROJECTS		
Site closure.....	1,004,636	1,038,903
Safeguards and security.....	45,902	53,975
TOTAL, DEFENSE FACILITIES CLOSURE PROJECTS.....	1,050,538	1,092,878
=====		
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION		
Privatization initiatives, various locations.....	141,537	153,537
=====		
TOTAL, DEFENSE ENVIRONMENTAL MANAGEMENT.....	5,740,783	6,480,991
=====		
OTHER DEFENSE ACTIVITIES		
Other national security programs		
Security and emergency operations		
Nuclear safeguards and security.....	121,188	116,500
Security investigations.....	44,927	44,927
Corporate management information program.....	20,000	10,000
Program direction.....	83,135	79,000
Subtotal, Security and emergency operations...	269,250	250,427

United States Government

Department of Energy

memorandum

DATE: November 27, 2001
REPLY TO:
ATTN OF: EM-12
SUBJECT: Fiscal Year 2002 Funding Allocations and Spread of Adjustments

TO: Manager, Office of River Protection

The Office of Environmental Management (EM) received an FY 2002 appropriation of \$6.716 billion, an increase of \$803 million above the FY 2002 Congressional Request. At this time, the Office of River Protection is being allocated FY 2002 funding as shown in Attachment A. This funding allocation may be adjusted later based on changing programmatic requirements. This allocation will enable your site(s) to accomplish the activities planned in the FY 2002 budget request. Within this allocation, various Congressional and Departmental priorities are identified in Attachment A that must be funded by your Office. You are responsible for determining the appropriate funding amounts for these activities in accordance with Congressional and EM guidance.

I am requiring that you submit a plan describing how the additional funding above the FY 2002 Congressional Request will be spent at your site(s). This plan should be prepared at the Project Baseline Summary (PBS) level and identify the additional activities to be performed. At a minimum, this plan should include the following details:

- 1) How this funding meets and supports EM missions and priorities.
- 2) The outcomes you expect to achieve with this funding. Where the outcomes will not be accomplished this fiscal year, list milestones you expect to accomplish this fiscal year to measure the progress of this activity.
- 3) List to whom the funding will be distributed and why that is the best choice to execute the increase.
- 4) Total cost of the activity to be funded and the follow-on budget authority that will be required in FY 2003.
- 5) Completion date for the activity.

Please submit both the Congressional/Departmental Priorities Report and Additional Funding Plan by December 5, 2001 to the Office of Policy, Planning and Budget, EM-10.

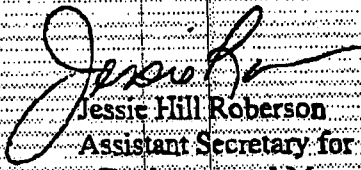
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The process of determining final allocations by PBS must be completed no later than December 5, 2001. It is imperative that this date is met in order for Office of Budget, EM-12, to complete the FY 2002 January Financial Plan. This financial plan will serve as the basis for the FY 2002 column of the FY 2003 Request, as well as establish the benchmarks by PBS for reporting to Congress by January 30, 2002. EM-12 will work directly with your staff to spread the funding allocations at the detailed PBS level.

If you have any questions regarding this information, you may contact Gene Schmitt on (202) 586-8754.



Jessie Hill Roberson
Assistant Secretary for
Environmental Management

Attachment

- cc:
- Director, Budget Division, Richland Operations Office
- Assistant Manager for Environmental Management, Richland Operations Office, Office of River Protection
- Director for the Office of Safety, Health and Security
- Director for the Office of Project Management
- Director for the Office of Management and Information
- Deputy Assistant Secretary for Planning, Policy and Budget
- Deputy Assistant Secretary for Integration and Disposition
- Deputy Assistant Secretary for Site Closure
- Deputy Assistant Secretary for Project Completion
- Deputy Assistant Secretary for Science and Technology

Attachment A

OFFICE OF RIVER PROTECTION
 FY 2002 Funding Allocations*
 (\$ in Thousands)

FY 2002 Congressional Request	\$814,468
Congressional/Other Adjustments ¹	+212,730
FY 2002 Allocation	\$1,027,198

DEFENSE ENVIRONMENTAL RESTORATION & WASTE MANAGEMENT

Site/Project Completion	\$ 2,000
Post 2006 - ORP	1,025,198

Total, Defense \$1,027,198

TOTAL, Office of River Protection \$1,027,198

Congressional/Departmental Priorities

- None

*The amounts shown are projections and should be used for planning workload in FY 2002. Funding profile excludes the following National Programs: Program Director, Science and Technology, Multi-Sites, Safeguards and Security, and Excess Facilities.

¹ Submit spending plan for additional funding by December 5, 2001. See transmittal memorandum for additional guidance and requirements.