

HANFORD ADVISORY BOARD

A Site Specific Advisory Board, Chartered under the Federal Advisory Committee Act

Advising:

US Dept of Energy
US Environmental
Protection Agency
Washington State Dept
of Ecology

CHAIR:

Susan Leckband

VICE CHAIR:

Rick Jansons

BOARD MEMBERS:

Local Business

Harold Heacock

Labor/Work Force

Mike Keizer
Thomas Carpenter
Susan Leckband
Jeff Luke
Rebecca Holland

Local Environment

Gene Van Liew

Local Government

Maynard Plahuta
Pam Larsen
Rick Jansons
Rob Davis
Julie Jones
Richard Leitz
Bob Parks

Tribal Government

Russell Jim
Gabriel Bohnee

Public Health

Margery Swint
Jim Trombold

University

Doug Mercer
Gene Schreckhise

Public-at-Large

Norma Jean Germond
Keith Smith
Bob Parazin
Bob Suyama

**Regional Environ-
ment/Citizen**

Todd Martin
Greg deBruler
Paige Knight
Gerald Pollet
Susan Kreid

State of Oregon

Ken Niles

Ex-Officio

Confederated Tribes of
the Umatilla
Washington State
Department of Health

December 5, 2008

Dave Brockman, Manager
U.S. Department of Energy, Richland Operations
P.O. Box 550 (A7-50)
Richland, WA 99352

Shirley Olinger, Manager
U.S. Department of Energy, Office of River Protection
P.O. Box 450 (H6-60)
Richland, WA 99352

Inez Triay
Acting-Assistant Secretary, Environmental Management
EM-1/Forestral Building
U.S. Department of Energy
1000 Independence Avenue
Washington, D.C. 20585

Merle Sykes
Deputy Assistant Secretary, Program Planning & Budget, Environmental
Management
Forestral Building
U.S. Department of Energy
1000 Independence Avenue
Washington, D.C. 20585

Re: Baseline Workshop Appreciation and Follow Up

Dear Mr. Brockman, Ms. Olinger, Ms. Triay, and Ms. Sykes,

The Hanford Advisory Board (Board) thanks the Department of Energy (DOE) Richland Operations (RL) and Office of River Protection (ORP) for the time and effort that went into holding a very successful first ever "Baseline Workshop." Our appreciation extends to the staff who participated in making this a success at every level – from presentation preparation, advance work with Board members to understand our concerns, to facilitation and tracking issues for follow-up.

We understand that this effort was a first for the DOE complex and hope that the materials and lessons are shared with other DOE sites. In particular, the presentations on how DOE sets baseline and cost schedules are an essential primer for advisory boards (and regulators) across the nation.

The multi-year cost and schedule baselines for each field office determine the work scope which contractors are expected to perform. Understanding how the Department sets its schedule and cost baselines is essential for the Board to assist the Department and regulators in closing the increasing gaps between compliance schedules and the work planned under the Department's baselines.

This makes it essential that the Board and regulators regularly review and provide input to the "assumptions" utilized by the Department in creating the baselines. For example, it appears that the baselines assume that hundreds of waste sites can be capped without characterization and removal, treatment and disposal of wastes from the soil. This assumption is one which should be discussed thoroughly and subject to public and regulator review, lest the Department plan its budgets and future budget requests based on unrealistic assumptions of what the chosen "remedy" will be for such waste sites.

The Board is concerned that DOE-ORP, for example, recently adopted a new baseline without the regulators or Board being aware of this and being offered an opportunity to provide comments. The bottom line is that public and regulator review offer the chance for the baselines to be accepted and supported by the public, regulators and Congress.

The Board was presented with an ORP baseline which is outdated in terms of costs for the Vitrification Plant and the scope of work which will be required. Of great additional concern is the dramatic funding increase shown to be necessary for tank farm project baseline summary work (retrieval, infrastructure, etc...) prior to the Vitrification Plant coming on line. These funds do not appear to be in the pipeline for "target" budgets approved by DOE Headquarters (HQ) and Office of Management and Budget.

Unfortunately, that work scope is determined by funding "targets" for the Richland and ORP field offices which fall billions of dollars short of the funds identified as needed to perform the work in the Hanford Federal Facility Agreement and Consent Order (TPA). This "compliance gap" may be even greater than shown, if the assumptions utilized for what work is needed are not realistic.

As we plan to offer advice on the FY 2010, 2011 and out year budgets for Hanford cleanup, we request that RL and ORP provide the Board and regulators with the “Integrated Priority Lists” (IPLs) utilized for each office to determine priorities for additional funding. In the past, the Board commented on the IPLs. The critical role played by the IPLs for requesting and allocating funds makes it vitally important for the Board to review and offer advice on whether the priorities reflect public values and approaches supported by the Board for ensuring that the highest priority work is, indeed, funded.

The Board also requests that RL meet with its committees and regulators to discuss whether the RL Baseline includes all soil and facility cleanup work which is expected to be completed by 2024, even in the “compliance” case shown. Further discussion appears necessary to determine if the compliance case includes work on canyons and Central Plateau sites for which specific milestones have yet to be negotiated, although they are subject to the overall milestone of completing all non-tank farm units by 2024.

Assumptions for each of the example projects discussed during the workshop should be shared with the Board and regulators for comment early in 2009.

Major “enabling assumptions” which are treated as “givens” in planning projects should be scrutinized by regulators and stakeholders. What the Department calls external review of baselines by HQ and personnel from other sites may not be sufficient to call into question the fundamental assumptions if they are faulty. Other DOE field office and HQ staff are less likely to challenge assumptions, such as whether DOE will open Yucca Mountain as a repository on a specific date, than regulators, advisory board members, and the Government Accountability Office.

For baselines to be credible there must be an institutional mechanism for regulatory and public review, especially to ensure that assumptions reflect history, lessons learned from prior cleanup work, and regulatory requirements.

The Board requests that RL and ORP present how contractor work scope deliverables relate to the schedule and cost baselines, and allow the Board and regulators to review these.


The baselines for RL and ORP do not reflect the TPA and have not had their assumptions reviewed in regard to whether DOE is assuming that far less work is required for compliance than is likely. Yet these baselines are the basis for contractor work plans due early next year. Those same work plans are most

assuredly not going to reflect a TPA compliant plan – since they are based on inadequate “target” budgets on which the baselines were based.

Advice

- The Board advises DOE to present to the relevant Board committees and the regulators, the major assumptions and relative priorities which the field offices are using in building their baselines – prior to formal adoption of new baselines.
- The Board advises DOE and the regulators that the milestones for Central Plateau work needed to meet the overall 2024 schedule for completing cleanup of non-tank farm units should be negotiated based on what work must be done to meet 2024, rather than delaying negotiation until contractor work plans are adopted for the next five years.
- The Board advises that an institutional mechanism for regulatory and public review of baselines be established.
- The Board advises that a timeline be agreed to between DOE and the regulators for regular review of the baselines and the assumptions supporting the baselines.
- The Board requests DOE provide it and the regulators Integrated Priority Lists from each field office.

Sincerely,



Susan Leckband, Chair
Hanford Advisory Board

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.

cc: Elin D. Miller, U.S. Environmental Protection Agency, Region 10
Jay Manning, Washington State Department of Ecology
Doug Shoop, Co-Deputy Designated Federal Official, U.S. Department of Energy, Office of River Protection
Steve Pfaff, Co-Deputy Designated Federal Official, U.S. Department of Energy, Richland Operations Office

**Dennis Faulk, Environmental Protection Agency
Jane Hedges, Washington State Department of Ecology
Doug Frost, U.S. Department of Energy Headquarters
The Oregon and Washington Congressional Delegations**