

April 6, 2001

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

Harry Boston, Manager
U.S. Department of Energy, Office of River Protection
2440 Stevens Center
Richland, WA 99352

Subject: Budget for FY 2002 and 2003

Dear Sirs,

Department of Energy-Richland Operations Office Prioritization Decisions Have Not Been Made Available for HAB Review.

Department of Energy-Richland Operations Office (DOE-RL) and Department of Energy-Office of River Protection (DOE-ORP) are required by the Hanford Clean-up Agreement, commonly known as the Tri-Party Agreement (TPA), to identify unfunded TPA work and funded non-TPA work to allow for regulatory and public review of DOE's Hanford clean-up budget priorities. In addition, DOE has an obligation to allow the United States Environmental Protection Agency (EPA), Washington Department of Ecology (Ecology), and the public to review and comment on whether proposed work prioritizations comply with the TPA, other laws, and public priorities prior to submittal to DOE-Headquarters. Both DOE-RL and DOE-ORP need to strategically plan for either requested funding increases or proposed budget cuts. In all funding cases, unfunded TPA (compliance gap) and funded non-TPA work must be identified.

In fiscal years 2002 and 2003, funding increases above flat (equal to fiscal year 2001) budgets for both DOE-RL and DOE-ORP are necessary to perform essential safety and clean-up work identified by the TPA, judicial consent decree and other orders or decrees.

DOE-RL must return to the required practice of making its prioritization decisions available for open review by the regulatory agencies, the HAB and the public.

The HAB Is Concerned DOE-RL Priorities Will Result in Authorizing The Performance of Other Workslope Ahead of Unfunded TPA Workslope.

The first priority for funding must be all essential safety work and the work needed to comply with milestones and requirements of environmental laws, the TPA,

Defense Nuclear Facility Safety Board recommendations and judicial decrees. Recently, however, DOE-RL has indicated in various forums that it needs only \$762 million: in FY 2002, significantly less than the \$823 million DOE-RL has stated that it needs to meet those requirements. DOE-RL's actions undermine chances of obtaining necessary funding. The HAB urges the regulators to ensure that DOE-RL complies with this important TPA requirement to request compliance funding.

The HAB recommends that DOE-RL and DOE-ORP prepare and maintain a compliance gap metric that displays the disconnects between the required TPA budget and other budgets under consideration. This metric must keep compliance gaps visible to stakeholders.

Recommendations Specific to Department of Energy-Office of River Protection.

DOE-ORP has identified \$410 million required for High-Level Nuclear Waste tank farms' safety, maintenance and upgrade work to meet legal requirements for FY 2003, which is approximately \$30 million more than level funding. The HAB appreciates DOE-ORP's identification of its compliance requirement and the work that would not be accomplished under level funding. The HAB is concerned that this includes very important, and legally required, unfunded work such as Tank Farm Infrastructure and Compliance Upgrades, compliance work deferred from FY 2001, chemical neutralization of wastes, and waste transfer preparation.

DOE-ORP must request the funding necessary to meet safety requirements and the TPA milestone of hot start of the vitrification facility in 2007. Proposed baselines for the specific design, configuration and schedule to construct the vitrification plants are not due until after April 15, 2001. The HAB will consider providing further advice when this information is available.

Recommendations Specific to Department of Energy-Richland Operations Office.

- a. DOE-RL must prioritize work in compliance with the Tri-Party Agreement.

The HAB is disturbed that DOE-RL has not provided the agreed to Integrated Priority List (IPL). Prioritization of work is critically important when budgets fall short of meeting requirements. DOE-RL has stated it is no longer "managing to IPLs," rather it is using baselines, as is DOE-ORP. Even when managing to baselines, prioritization is required when budgets do not meet requirements.

The HAB does recognize the potential of baselines providing a more effective means of agency and other stakeholder participation in the DOE budgeting process. The HAB recommends DOE and the regulators work with HAB membership to achieve this more effective process (and the implementation of the "compliance gap" metric above) as soon as possible. Public support for DOE's work at Hanford

requires protection of the Columbia River, the environment, and the maintenance of safety. A key measure for the public is completion of TPA work. Funding requests, at a minimum, should reflect the TPA as it exists. If DOE proposes to adjust work priorities that impact TPA workscope, DOE should first initiate the TPA change process.

- b. It is inappropriate to use limited Hanford Clean-Up funds to subsidize the cost of disposing waste from other sites.

Last year, far more than half of all wastes buried in Hanford's Low-Level Burial Grounds were from offsite. This year, DOE is using Hanford EM funds to pay for expanding these burial grounds. We repeat the HAB's previous advice that all offsite waste shipments be halted pending characterization of the burial grounds and investigation of potential releases from them and that DOE provide DOE-RL with the long-term fully burdened cost of disposal.

- c. When compliance work is under funded, the HAB questions the directed expenditure of funds, per the new Fluor contract, to pay for the relocation of up to fifty new Fluor managers to be part of a "Project Support Operations Center."

Previously, Fluor expended over \$2 million to reorganize and reduce layers of management, and was unable to document or project cost savings that resulted from this expense. The cost of this new directive should be fully documented and disclosed, along with how its effectiveness will be measured.

- d. The HAB is concerned that the following important, legally required work is not adequately funded:
 1. Groundwater remediation requirements identified in EPA's Five-Year Review, including groundwater monitoring, well replacement, and significant action to stop the spread of carbon tetrachloride and accelerate removal of carbon tetrachloride;
 2. Characterization of burial grounds and other contaminated soil sites in the 200 Area/Central Plateau must be adequately funded to provide the best data for remedy selection decisions, as the HAB has recommended in past advice (Advice #67, 83, 94, 103 and 107); and
 3. Baselines to meet the 2018 milestones to complete groundwater remediation in the 100 Area and the 2018 milestones for Central Plateau (non-tank farm) soil and groundwater remedial actions. DOE-RL must put in place work plans and budgets to accomplish its legal obligations to complete these milestones by 2018.

Very truly yours,

Todd Martin, Chair
Hanford Advisory Board

cc: Carolyn Huntoon, Department of Energy Headquarters
Martha Crosland, Department of Energy Headquarters
Chuck Findley, U.S. Environmental Protection Agency, Region 10
Tom Fitzsimmons, Washington Department of Ecology
Wade Ballard, Deputy Designated Federal Official
The Oregon and Washington Congressional Delegations
Michael Gearheard, Environmental Protection Agency
Linda Hoffman, Washington Department of Ecology

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.