



February 4, 2000

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

Dick French, Manager
Office of River Protection
2440 Stevens Center
Richland, WA 99352

Subject: FY2002 Budget Prioritization

Dear Messrs. Klein and French:

The Hanford Advisory Board (Board) has provided extensive advice on the U.S. Department of Energy's (DOE) budget development process and considers it to be an important feature of identifying, discussing, and implementing the site's cleanup priorities. For the FY2002 budget, the Board believes that early stakeholder involvement in the setting of the site's priorities is essential. The Board reiterates that it is inappropriate for the Board to focus on whether certain legally required cleanup activities should or should not be funded within the target budget (as part of the Integrated Priority List (IPL)) because DOE is obligated to request adequate funding to carry out all legally required activities. The Board finds the newly proposed prioritization criteria to be vastly improved following our initial early discussion of the prioritization criteria with DOE-Richland (RL) and DOE-Office of River Protection (ORP). The Board believes this shows the benefits of discussion early in the decision-making process, and appreciates DOE-RL's and DOE-ORP's consideration of our early input.

The Board requests that the following advice should be applied in development of DOE-RL's and DOE-ORP's cleanup strategic choices and budget priorities:

1. Decisions regarding strategic choices and budget plans established for FY2000 and FY2001 need to be part of the public, regulator, and tribal input to the FY2002 budget.
2. DOE-ORP and DOE-RL should use an integrated regional public involvement process to provide input on Hanford budget priorities.
3. More detailed criteria and consistent definitions are necessary for determining what qualifies as "essential services" and staff or activities required for "minimum safe" line items. The criteria should clearly define which portions of management costs are essential for the minimum safe, essential services, and cleanup progress increments of work.
4. The prioritization criteria should include a risk analysis that is understandable and based on information that is defensible and accessible to the public and regulators. It

should be recognized that the TPA, compliance orders, and regulatory requirements reflect acceptable risk criteria. The prioritization of risk must reflect regulator input and evaluation. Risk evaluation must reflect public, worker, and environmental risks and values. Funding priorities should be made where the greatest risk reduction can be achieved, including consideration of future budget impacts and program delays due to budget shortfalls.

5. Outcome or performance-based budget prioritization should be utilized in preference to a level of effort funding. For those projects experiencing budget or schedule overruns, continuing or additional funding must be based upon the implementation of corrective actions.
6. Projects that have independently validated their baselines and have set cost reduction goals should be given a higher priority in the budget development process. Expected program cost savings or indirect cost reductions must be reflected in increased work achievement in the IPL. However, cost reductions must not adversely affect worker health and safety.
7. Activities in the Environmental Restoration program that directly support cleanup along the Columbia River should be given a high priority.

We look forward to your response and to periodic progress updates on this matter.

Very truly yours,

Merilyn B. Reeves, Chair
Hanford Advisory Board

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

NOTE: Jeff Luke, Non-Union, Non-Management Employee, abstained from this advice.

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.

[Hanford Home Page](#) | [HAB](#) | [Advice Index](#)

*For questions or comments, please send [email](mailto:Hanford_Advisory_Board@rl.gov) to Hanford_Advisory_Board@rl.gov
HAB Consensus Advice #105
Subject: FY2002 Budget Prioritization
Adopted: February 4, 2000*