



Department of Energy  
Richland Operations Office  
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00-MPD-077

Ms. Marilyn B. Reeves, Chair  
Hanford Advisory Board  
723 The Parkway, Suite 200: B1-41  
Richland, Washington 99352

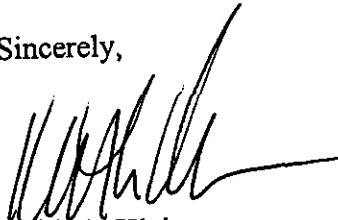
Dear Ms. Reeves:

RESPONSES TO COMMENTS ON HANFORD ADVISORY BOARD CONSENSUS  
ADVICE #105 AND #107, SUMMARY OF RESPONSES TO MAJOR PUBLIC COMMENTS,  
AND SUMMARY OF PUBLIC COMMENTS ON FISCAL YEAR (FY) 2002 INTEGRATED  
PRIORITY LIST (IPL)

Please find attached responses to Advice #105 comments (Attachment 1) and Advice #107 comments (Attachment 2). Also provided for your information is the Summary of Responses to Major Public Comments (Attachment 3). This summary addresses the major themes that were gleaned from the public involvement process on the FY 2002 U.S. Department of Energy (DOE), Richland Operations Office, draft IPL. These themes were included in the letter that transmitted the final draft IPL to the DOE-Headquarters, Environmental Management Program, on April 13, 2000. Accompanying the Summary of Responses to the Major Public Comments is the summary of Public Comments on FY 2002 IPL (Attachment 4) made at the public meetings held in Portland, Oregon, Richland, Washington, and Seattle, Washington, which served as the basis for these major themes.

If you want to discuss this matter further or require additional information, please contact me, or your staff may contact Richard A. Holten, Mission Planning Division, at (509) 376-3963.

Sincerely,



Keith A. Klein  
Manager

MPD:KDB

Attachments

cc: See page 2

Ms. Marilyn B. Reeves  
00-MPD-077

-2-

MAY 31 2000

cc w/attachs:

C. C. Clarke, EPA  
A. L. Dressen, EnviroIssues  
T. C. Fitzsimmons, Ecology  
R. T. French, ORP  
M. Gearheard, EPA  
C. L. Huntoon, EM-1  
D. J. Silver, Ecology

U.S. Senators (OR)

Gordon Smith  
Ron Wyden

U.S. Senators (WA)

Slade Gordon  
Patty Murray

U.S. Representatives (OR)

Earl Blumenauer  
Peter DeFazio  
Darlene Hooley  
Greg Walden  
David Wu

U.S. Representatives (WA)

Brian Baird  
Norm Dicks  
Jennifer Dunn  
Doc Hastings  
Jay Inslee  
Jim McDermott  
Jack Metcalf  
George Nethercutt  
Adam Smith

State Senators (WA)

Pat Hale  
Valoria Loveland

State Representatives (WA)

Jerome Delvin  
Shirley Hankins

**Responses to Fiscal Year (FY) 2002  
Hanford Advisory Board (HAB)  
Budget Prioritization Advice #105**

Comment 1. Decisions regarding strategic choices and budget plans established for FY 2000 and FY 2001 need to be part of the public, regulator, and tribal input to the FY 2002 budget.

Response: The U.S. Department of Energy (DOE), Richland Operations Office (RL), had open dialogue meetings concerning the prioritization criteria to be applied to the FY 2002 budget formulation. Decisions regarding strategic choices and budget plans for FY 2000 and FY 2001 were part of those discussions.

Comment 2. DOE-ORP and DOE-RL should use an integrated regional public involvement process to provide input on Hanford budget priorities.

Response: RL and the DOE Office of River Protection, based on your early recommendation, did utilize an integrated regional public involvement process.

Comment 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.

Response: RL is continuing to work towards "scrubbing" and clarifying more effectively those activities that are to be considered essential safety or essential services. As for the breakout of management costs, these costs were broken out between base operation and cleanup progress activities on the FY 2002 Integrated Priority List (IPL).

Comment 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.

Response: The overall structure of the prioritization criteria is a risk-based approach. The highest priority work category is Essential Safety, which provides the necessary resources, to keep facilities and waste sites in a safe condition (protection of workers, public, and environment) prior to or during cleanup. In terms of cleanup work, we re-structured the prioritization criteria such that the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) and commitments to the Defense Nuclear Safety Board are the primary drivers. We agree with the HAB that compliance with the Tri-Party Agreement and other regulatory requirements embodies a risk-based approach. Our criteria, also provides a case-by-case-basis mechanism for support to safety-related cleanup work that is not based on the Tri-Party Agreement. An example of such work is the 233-S Decontamination and Decommissioning (D&D) project where we are convinced that cleanup (i.e., full D&D) is necessary to ensure safety.

Comment 5. Outcome or performance-based budget prioritization should be utilized in reference 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.

Response: The IPL for FY 2002 was outcome based. The key site outcomes of Protecting the River Corridor, Transitioning the Central Plateau, and Putting DOE Assets to Work for the Future were the focus of the IPL. Each unit of analysis that comprised the IPL was oriented to one of those three outcomes.

Comment 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.

Response: We generally agree with the last two sentences of this comment. There are concerns, however, about the intent of the first sentence that recommends making projects that have been independently validated a higher priority in the budget development process. The goal must be to establish defensible baselines for all projects as soon as practical and to follow on with independent reviews of those baselines. Validation of project baselines should generally be used as one of the overarching consideration in evaluating workscope within the same prioritization criteria.

Comment 7. Activities in the Environmental Restoration program that directly support cleanup along the Columbia River should be given a high priority.

Response: The final prioritization criteria and the final draft IPL sent to HQ-EM did indeed give high priority to activities in the ER program that directly support cleanup along the River.

**Responses to Fiscal Year (FY) 2002  
Hanford Advisory Board (HAB)  
Budget Advice #107**

Comment 1. Level funding is inadequate to achieve timely and effective Hanford cleanup.

Response: We agree that level funding has forced us in the past to postpone critical cleanup activities. However, we fully intend to seek full compliance funding through forcefully presenting our case during the forthcoming Corporate Forum budget discussions.

First bullet - Response will be provided separately by the U.S. Department of Energy (DOE), Office of River Protection (ORP).

Second bullet - Subsequent to the public meetings, a limited amount of characterization funding has been built into the Target portion of the FY 2002 Integrated Priority List (IPL) utilizing Groundwater/Vadose Zone funding.

Third bullet - Subsequent to the public meetings, Target funding has been identified to support the 618-10 and 618-11 Burial Ground Investigations.

Comment 2. Target budgets are inadequate to fund all safety and legally required cleanup work.

Response: Paragraph 1 - We agree. As noted in 1 above, we intend to seek adequate funds to meet our compliance requirements. Additionally, as presented to your Dollars & Sense Committee on April 27, 2000, we have reprioritized several of the recommendations made from the public meetings.

2.a) - The reference to "important activities as investigation and potential remediation of the Hanford low-level burial grounds and ....", appears to refer to concerns from a previous HAB letter regarding the possible need to investigate the Low-Level Waste Burial Grounds (LLBG) for Mixed Low-Level Waste (MLLW). DOE Richland Operations Office (RL) letter # 00-WMD-058, Characterization of Burial Grounds and Importation of Waste, dated March 28, 2000, responded to this issue as well as other related LLBG issues. At this time there are no plans to conduct an extensive investigation of the LLBGs, however efforts to adequately operate, monitor, and maintain the LLBGs will continue. Additionally, Target funding has been identified to support the 618-10 and 618-11 Burial Ground Investigations.

2.b) - Response will be provided separately by ORP.

Paragraph two - With regards to compliance with all relevant and applicable environmental, public protection, and worker protection laws, agreements and commitments and to ensure protection of workers, the public and the environment, funding has been provided within the Target level for these activities.

Comment 3. Hanford cleanup funds should not be used to cleanup others' messes.

Response: 3.a) - The Environmental Management (EM) Program has been assigned for several years as the "landlord" for the Hanford Site; consequently, many of the more generic costs incurred by the site in its operation which are not strictly cleanup related, such as downwinder litigation, still have to be borne by the responsible landlord program, namely EM.

3.b) - RL is making every effort to avoid subsidizing the costs for import and burial of offsite generated low-level and mixed wastes, however the DOE process for funding some of the operations is somewhat restrictive. RL can presently only collect and charge its offsite generators for costs incurred during the FY in which waste was sent by the generator. Additionally, there may be some confusion regarding UAS# 07T, Low-Level Waste & MLLW Disposal Capacity Development. The scope of this UAS includes work necessary to continue to provide sufficient disposal capacity for currently forecast onsite (RL & ORP) and offsite wastes currently being received. This does not include providing capacity for possible future increases of offsite waste resulting from the recent issuance of the Programmatic Environmental Impact Statement.

Comment 4. The transfer of funds to the new DOE-HQ security agency, which will permanently decrease the amount of funding available for Hanford cleanup, should not be undertaken.

Response: As noted in item 3 above, the EM Program has the lead for the landlord activities at the Hanford Site. Embedded within that responsibility is the responsibility for the security effort. The transfer of funds for security only impacts the cleanup budget in the event that the requirements for security are reduced. RL made a strong appeal in its transmittal of the FY 2002 budget to DOE-Headquarters that in the event of a reduction in the security requirements, those freed up funds would be restored to RL's cleanup projects.

Comment 5. Contractors' costs should be validated for the purpose of identifying cost savings.

Response: 5.a) - RL has policy guidance for conducting independent baseline reviews of all project baselines. The guidance includes requirements for conducting additional reviews when changes to established cost baselines have exceeded specific thresholds. Project activities that have been independently reviewed within the last year include the Environmental Restoration Project; Spent Nuclear Fuel Project; Plutonium Finishing Plant Deactivation Project; Waste Management Operations; and the Environmental Assurance, Permits and Policy Program.

5.b) - DOE has changed the way it manages the site. We are now focused on outcomes. Our performance incentives are based on outcomes and we are not requiring the contractor to report savings. We see the result of their savings through increased work.

5.c) - There has been an extensive review of the 233-S Project as well as the 224-B Project. Due to the experience of actual D&D activities, estimates for completion of 233-S and 224-B have been substantially reduced from previous estimates.

5.d) - Subsequent to the Public Meetings, the FY 2002 program management costs within the Target level funding have been reduced by ~ \$4.0 million.

5.e) - In this era of managing the contract, not the contractor, DOE no longer provides the contractors with indirect targets or ceilings. The contractors are no longer required to report that information to RL but to manage it the best way possible to achieve the site outcomes and performance incentives they have signed up for.

5.f) - In regards to the greater review of the essential safety and essential services categories, RL fully intends to monitor these closely. As you know, these activities were reduced in FY 2001 and FY 2002 from the original contractor submittal by approximately \$30 M. Assuring the effective implementation of these reductions will be crucial to optimizing our cleanup program in the future.

Comment 6. Priorities in the proposed budgets should be revised to protect the Columbia River and comply with TPA milestones and other applicable regulations.

Response: 6.a) - Funding has been identified in Base Operations for RL Resource Conservation and Recovery Act Monitoring wells.

6.b) - Funding has been identified within Target for continued 200-UP groundwater remedial action.

6.c) - The RL letter 00-WMD-058, Characterization of Burial Grounds and Importation of Waste, dated March 28, 2000, responded to this issue as well as other related LLBG issues. At this time there are no plans to conduct an extensive investigation of the LLBGs, however efforts to adequately operate, monitor, and maintain the LLBGs will continue. Regarding 618-11, Target funding has been identified to support these burial ground investigations.

6.d) - Retrieval of Transuranic Waste (TRU) is a Central Plateau activity and, consistent with our prioritization criteria, is a lower priority than other Tri-Party Agreement activities. However, TRU retrieval activities began in FY 1999 and continue during FY 2000. Performance Incentives that utilize cost efficiencies to fund retrieval are being used to conduct this work during FY 2000. Similar incentives may also be used during FY 2001 and beyond considering current prioritizations of this work below target.

6.e) - Building infrastructure needs are prioritized based on the IPL criteria such that those with greater risks are ranked higher. If a building has a significant safety risk now, it is being addressed now rather than waiting the additional two years to accommodate the budget cycle.

6.f) - Response will be provided separately by ORP.

6.g) - This appears to refer to UAS#080,M-91 TRU Compliance Activities, which is currently below the FY 2002 Target funding level. The scope of this UAS includes technology development for retrieving, characterizing, and treating RH TRU and TRUM. However, these technology needs aren't required until sometime after FY 2002.

6.h) - Understood. Subsequent to the Budget Briefings, the Ground Water/Vadose Zone Program has been split to help fund characterization activities. This will help offset the previous lack of funding for 200 Area characterization activities.

6.i) - DOE has allocated funding for the 300 Area Accelerated Cleanup efforts in the Target Plus 10 percent case. We believe that initiatives such as this to finish the 300 Area earlier than planned are needed to generate support for the 10 percent case. We also believe that this is Tri-Party Agreement work insofar as it is targeted at completing cleanup along the river. Included in this scope are waste sites in the FF-2 Operable Unit and facilities already covered by the Tri-Party Agreement. Should the 10 percent case be supported by Congress, we would work with the U.S. Environmental Protection Agency and the State of Washington Department of Ecology to develop appropriate Tri-Party Agreement milestones for this activity.

Comment 7. DOE should continue to strive to effectively involve regulators, tribal governments, the HAB, and the public in the development of outyear budget priorities.

Response: RL's intent this year was to enhance that involvement through the discussions on prioritization criteria. To that end, RL believes we were successful. However, the tight timeframe for the Public Meetings to review the draft IPL clearly needs improvement.

In regards to the greater review of the essential safety and essential services categories, RL fully intends to monitor these closely. As you know, these activities were reduced in FY 2001 and FY 2002 from the original contractor submittal by approximately \$30 M. Assuring the effective implementation of these reductions will be crucial to optimizing our cleanup program in the future.

Comment 8. The proposed changes in the Spent Nuclear Fuel program are encouraging; progress will continue to be monitored and TPA milestones should be established for a well-defined path forward.

Response: Subsequent to the budget briefings, discussions have taken place between the Spent Nuclear Fuel personnel and members of the HAB to address these cited concerns.