

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

June 4, 2010

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Re: Selecting Projects for Additional ARRA Funding

Dear Ms. Olinger, Messrs. Brockman, Faulk and Ms. Hedges,

Background

The U.S. Department of Energy (DOE) is committed to transparency and dialogue regarding the choices of cleanup projects to be funded with American Recovery and Reinvestment Act (ARRA) or "stimulus" funding. The Hanford Advisory Board (Board) applauds the involvement from the public on providing input to adjustments on the initial proposals for use of ARRA funding.

The schedules and costs for ARRA funded cleanup projects at Hanford were appropriately estimated more conservatively, with greater management reserve, than allowed for in the contract baselines. As such, DOE-Richland Operations (RL) and DOE-Office of River Protection (ORP) have completed many projects ahead of the projected schedule and/or below the projected cost for Fiscal Year (FY) 2011 and FY 2012, allowing for additional

cleanup funding. The Board is pleased with the completion of projects ahead of schedule and below cost.

The ARRA funding freed up by the successful completion of initial ARRA funded projects is now being redirected to accelerate other projects. The projects being considered for acceleration are identified on a “buy-back list.”

DOE-Headquarters (HQ) responded to a request from the Board’s Budgets and Contracts Committee to review and comment on the proposed buy-back lists by committing to have the Project Operating Plans (POPs) from DOE-RL and DOE-ORP available at the FY 2012 budget workshop. DOE-HQ had promised that the POPs, with the proposed buy-back lists, would be available online. DOE-ORP’s POPs did include a specific list of potential projects. However, the list lacked specific cost or schedule information, limiting its utility in providing advice. DOE-RL did not include any specific projects in its POPs and is working on revising it before resubmitting to DOE-HQ.

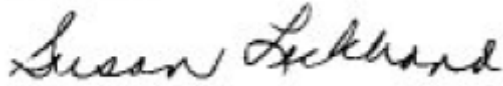
We are concerned that the opportunity is being lost for the regulators, [U.S. Environmental Protection Agency (EPA) and Washington State Department of Ecology (Ecology)] the Board, and the public to review these funding acceleration opportunities and to provide input regarding priorities.

Advice

- The criteria for choosing projects from the buy-backs lists should emphasize meeting applicable requirements, and opportunities to reduce the mortgage cost for future cleanup.
- DOE should ensure that the regulators, the Board and the public have input on the makeup of the potential buy-back list of projects, criteria for choosing projects, and project selection.
- EPA and Ecology should nominate projects.
- DOE should provide information on the reasons/breakdowns for the buy-back list of priorities:
 - What is the process for determining which projects were added to the list?
 - These selection criteria and the list of potential projects (with estimated costs) should be publicly available on the Hanford.gov website.
- The first round of ARRA funding has accomplished cleanup work ahead of schedule and under budget. We believe this will be the case for the second round

of projects. Hanford should have the opportunity for a round three with remaining funding.

Sincerely,



Susan Leckband, Chair
Hanford Advisory Board

This advice represents Board consensus for this specific topic. It should not be taken out of context to extrapolate Board agreement on other subject matters.

cc: David Brockman, Manger, U. S. Department of Energy, Richland Operations
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