



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

3100 Port of Benton Blvd • Richland, WA 99354 • (509) 372-7950

June 29, 2010

Susan Leckband
Hanford Advisory Board
713 Jadwin Avenue, Suite 4, MSIN: B1-64
Richland Washington 99352

Re: Response to Hanford Advisory Board (HAB) Advice #232 and #234: Selecting Projects for Additional ARRA Funding and Fiscal Year 2012 Budget Requests

Dear Ms. Leckband:

Thank you for the HAB's advice regarding the selection of projects for use of unspent American Recovery and Reinvestment Act (ARRA) funding and Federal Fiscal Year (FFY) 2012 budget requests.

The Department of Ecology (Ecology) supports adjustment of the FFY 2012 budgets to fund all of the work proposed by the United States Department of Energy (USDOE) Richland Office (RL) and the Office of River Protection (ORP) in their Activity Building Blocks. We are concerned that USDOE's FFY 2012 target funding levels for Hanford fall short of the amount needed to complete all work necessary to comply with the Tri-Party Agreement in addition to the stipulations of the pending Tank Waste Settlement Agreement.

Enclosed is a copy of Ecology's recent letter addressing concerns about the possibility of FFY 2012 RL funding levels leaving a compliance gap of nearly \$500 million. Ecology believes that five-year integrated cleanup priorities for USDOE-RL and USDOE-ORP need to be established to ensure effective use of available funds. We have begun working with the United States Environmental Protection Agency (EPA) and USDOE on cleanup priorities and appreciate their support for the concept of a five-year priority list.

Ecology also supports the HAB's advice on requests for adequate funding to ensure safe operation and regulatory compliance at Hanford, as well as for the development of new technologies to improve the efficiency and safety of groundwater remediation, waste removal, treatment, and disposal.



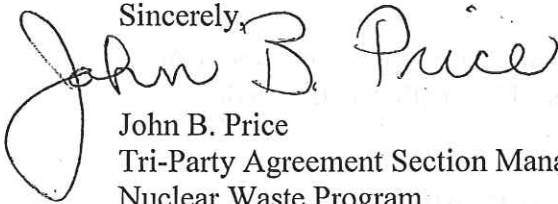
Ms. Susan Leckband
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We appreciate HAB's concern regarding the pre-1970 transuranic waste sites. As you know, the Tri-Parties have agreed to a public workshop to help develop appropriate proposals for cleanup of those sites.

Concerning the HAB's advice on the selection of projects for additional ARRA funding, the enclosed letter from Ecology also includes a list of our top cleanup priorities for 2010 through 2015. We are encouraged by the cleanup progress that USDOE-RL and USDOE-ORP have made using ARRA funds. We intend to continue to work with EPA and USDOE to identify the projects of highest importance.

Ecology will encourage USDOE-RL to use any additional ARRA funding available from the completion of projects ahead of schedule to accelerate the projects on this list according to priority. We also will continue to support USDOE-RL as they provide information to the public about new ARRA projects.

Sincerely,



John B. Price
Tri-Party Agreement Section Manager
Nuclear Waste Program

db/dbm
Enclosure

cc w/enc:

Dennis Faulk, EPA
David Brockman, USDOE
Shirley Olinger, USDOE
Steve Pfaff, USDOE
Doug Shoop, USDOE
Stuart Harris, CTUIR
Gabriel Bohnee, NPT
Russell Jim, YN
Ken Niles, ODOE
Administrative Record
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June 1, 2010

Dr. Ines R. Triay, Assistant Secretary
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United States Department of Energy
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Ms. Shirley J. Olinger, Manager
Office of River Protection
United States Department of Energy
P.O. Box 450, MSIN: H6-60
Richland, Washington 99352

Mr. David A. Brockman, Manager
Richland Operations Office
United States Department of Energy
P.O. Box 550, MSIN: A7-50
Richland, Washington 99352

Re: United States Department of Energy (USDOE) Federal Fiscal Year 2011 and 2012 Hanford
Budget Proposals and Ecology Priorities

Dear Dr. Triay, Ms. Olinger, and Mr. Brockman:

The Washington State Department of Ecology has reviewed your budget plans for Hanford for Federal Fiscal Year (FFY) 2011 and 2012. We appreciate the briefings on the FFY 2011 president's budget submission and FFY 2012 requests provided to the Tri-Party Agreement (TPA) agencies and the Hanford Advisory Board.

We appreciate both the Richland Operations Office's (RL) and the Office of River Protection's (ORP) efforts to comply with TPA requirements for budget briefings and coordination on budget priorities on the President's 2011 budget submission to the United States Congress and the field office 2012 budget requests.



In past years, the briefing information has included USDOE headquarters target funding levels. This year, USDOE headquarters did not share target funding numbers, so it was difficult to determine USDOE's ability to deliver a compliant budget request as the TPA requires. To bridge this gap, Ecology used the funding level provided in the President's budget submission for 2011 for comparison.

The Funding Outlook for 2012 Is a Challenge

As you know, Ecology and USDOE have tentatively agreed to certain TPA milestone changes and Consent Decree requirements that would, if and when finalized, extend certain existing requirements that USDOE has acknowledged it will not meet. It is Ecology's view that USDOE remains obligated to meet TPA funding and budget requirements in the context of existing TPA requirements until existing TPA requirements are modified. Nothing in this letter should be taken as an indication to the contrary.

Although the new requirements have not been finalized, for purposes of providing input into your process, the information set forth below is based on the assumption that the current proposed TPA milestone changes and Consent Decree requirements will be finalized in the near future.

Ecology compared the funding levels that RL and ORP identified in their proposals for FY 2012 to the funding levels in the President's proposed budget for 2011 (the current level of base funding). Ecology estimated the range of funding increase in base funding needed in 2012 to comply with the TPA and Consent Decree:

Estimated Funding Needed in 2012 for Compliance

	\$Millions
▶ Office of River Protection	
• Waste Treatment Plant	690
• Tank Farms	<u>485</u>
Total Office of River Protection	1,175
▶ Richland Operations Office	<u>1,599</u>
Total Hanford 2012 Budget Needed	2,774
2011 President's Budget Funding Level	<u>2,300</u>

Increase in Funding Level Needed to meet TPA obligations including new (extended) requirements once finalized – Approximately \$470+ Million

The Hanford cleanup has benefited from \$1.96 billion in American Recovery and Reinvestment Act (ARRA) funds for Federal Fiscal Years 2009, 2010, and 2011 – approximately \$650 million per year. RL and ORP have demonstrated the ability to effectively use additional funding. It is desirable to maintain the current high level of cleanup momentum. The funding levels needed to keep the Hanford cleanup on the new proposed (and extended) schedule in 2012 are similar to the current base budget funding levels plus ARRA funds for 2010 and proposed for 2011.

Ecology believes that integrated multi-year cleanup priorities for five years for RL and ORP need to be established to ensure effective use of available funds. Ecology has begun working with the other Tri-Parties on cleanup priorities, and we appreciate their support for the concept.

Ecology's Integrated Priority List for 2010 through 2015 (in priority order)

As a starting point and to promote discussion, Ecology has proposed the following integrated five year priorities. We shared these at the recent 2012 Hanford Budget and Cleanup Priorities Workshop. Although we set forth our priorities below in numeric order, we must state expressly that Ecology expects USDOE to meet all legally mandated requirements. Listing our priorities should not be taken as an indication to the contrary:

1. Build and prepare to operate the Waste Treatment Plant.
2. Retrieve tanks on the Consent Decree schedule (10 tanks in C Farm by 2014), including submission of the C Farm Closure permit modification application.
3. Meet groundwater milestones for River Corridor and Central Plateau.
4. Complete River Corridor cleanup, including soil sites, reactors, K Basins, and 618-10/11 Burial Grounds.
5. Complete Plutonium Finishing Plant cleanup.
6. Complete retrieval, certification, and shipment of TRU by the proposed TPA milestone dates.
7. Complete Outer Central Plateau area soil sites by the proposed dates, including closure of the Solid Waste Landfill and the Non-Radioactive Dangerous Waste Landfill.
8. Complete remedial investigations and cleanup decisions for Central Plateau soils by the proposed TPA milestone dates.
9. Complete closure of the canyons and demolition of the remaining Central Plateau buildings.

This integrated priority list is consistent with the proposed TPA and Consent Decree revisions.

Dr. Triay, Ms. Olinger, and Mr. Brockman

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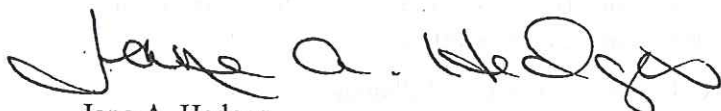
Path Forward

Ecology intends to work with the Tri-Parties, the Administration, Congress, Oregon, the Tribal Nations, and all interested stakeholders to establish stable funding to achieve compliance with the cleanup schedule and ensure that all funds are spent directly on cleanup progress. We look forward to working collaboratively on the following actions:

1. Establish multi-year priorities (5 Year Integrated Hanford priority list) to keep cleanup focused on consistent goals and avoid expensive sudden start/stop/start effects on work. This will require periodic review and discussion of potential funding needs and available funding and cleanup priority choices. The proposed Hanford Lifecycle Cost, Scope, and Schedule report should help this discussion.
2. Continually challenge, review, and reduce base operations costs.
3. Finish what we've started. Finish all decision documents quickly – get the money on cleanup, not on paper work.

If you have any questions about our comments, please contact Ron Skinnerland at 509-372-7924 or John Price at 509-372-7921.

Sincerely,



Jane A. Hedges
Program Manager
Nuclear Waste Program

cc: Washington and Oregon Congressional Delegations
Dennis Faulk, EPA
Stuart Harris, CTUIR
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