

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

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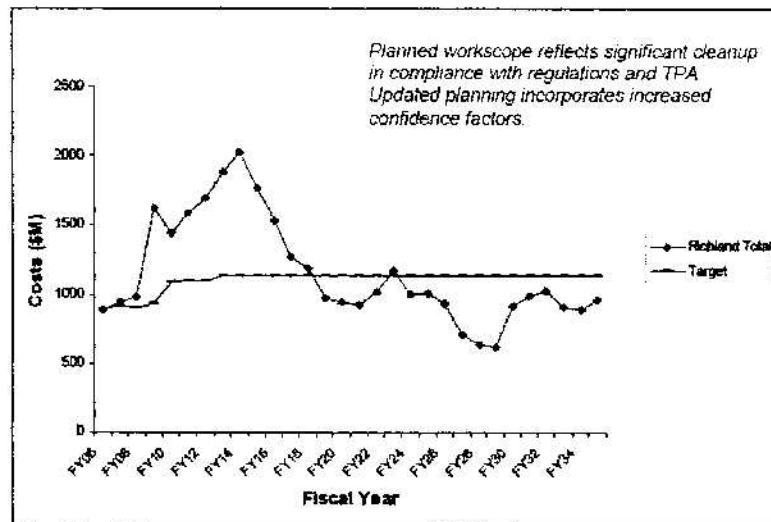
Re: FY 2008-2009 and Outyear Budgets

Dear Messrs. Weis and Manning, Ms. Olinger and Ms. Miller,

The Hanford Advisory Board (Board) sincerely appreciates the Department of Energy's (DOE) recent commitment to provide access to information about program budgets. Guidance provided to DOE field offices from DOE-Headquarters (DOE-HQ) in February 2007 reversed the trend of limitations on available information. This reversal has given the Board the opportunity to provide meaningful comments about priority and funding needs.

Nevertheless, the Board is deeply concerned that "target budgets" approved by the White House Office of Management and Budget (OMB) for Hanford cleanup funding fall drastically short of supporting the work needed to be done to meet existing compliance agreements and to adequately protect the environment. The DOE-Richland Operations Office (DOE-RL) anticipates this shortfall to be as much as \$5 billion over the ten year period beginning in Fiscal Year (FY) 2009. In FY 2009 alone, the cost of unfunded cleanup work is approximately \$500 million.

Richland Operations Office Planned Work Scope Compared to Provided Targets



This DOE chart shows the DOE-RL cleanup budgets (“target”) approved by the OMB from 2009 through 2013, followed by DOE’s assumed level funding for the years following. Also shown is the amount of funding DOE-RL estimates will be necessary to meet the current cleanup milestones and perform other important work (Richland Total). DOE-ORP also projects a funding shortfall – of as much as \$560 million during the five year period beginning in FY 2009.

For the most part, DOE-RL and DOE-ORP provided the Board and public with sufficiently detailed information for us to provide on cleanup priorities. The Board was not provided with details on the cost of compliance work that is not part of DOE-ORP’s target budget for FY 2009. The Board desires that information and it should be provided.

The Board considers that both DOE-RL and DOE-ORP have made significant effort to balance inadequate funding allocations between competing priorities and requirements.

The Board believes DOE can bridge this “compliance gap” by abiding by its prior commitments to use the funds saved from early cleanup and closure of small DOE sites (such as Rocky Flats, Fernald and Mound) for the remaining large sites. DOE made this commitment in establishing a “2006 Closure Account” in Congressional Budget Requests and other communications. For FY 2009, DOE’s proposed total

nationwide cleanup budget is more than \$900 million lower than the 2006 funding appropriated by Congress.

Advice

- Now that several of its smaller sites have closed or are closing, DOE-HQ should live up to its commitment to re-direct cleanup funds back to the larger, more contaminated sites in the DOE nuclear weapons complex. Washington State should firmly remind DOE of this commitment.
- DOE should be completely open with its regulators and the public about the specifics of projected funding shortfalls.

DOE-RL

Among specific projects within DOE-RL, groundwater funding in FY 2009 is particularly inadequate. DOE-RL acknowledges that the cost of starting required groundwater cleanup planning, investigation and interception (not full scale remediation) activities in FY 2009 would require more than \$200 million above the proposed funding level. Recent Congressional add-ons for Hanford groundwater programs of \$10 to \$20 million a year are helpful but do not make a meaningful dent in groundwater cleanup.

The Board has previously advised that Tri-Party Agreement (TPA) and DOE baselines should include the start of cleanup of groundwater contamination in each area along the Columbia River within one year after completion of the soil sites cleanup for each area. Major TPA negotiations are just underway, with the State of Washington and the U.S. Environmental Protection Agency having said that groundwater cleanup goals are a key objective. Funding shortfalls for groundwater must not prevent adoption of real goals for cleanup of groundwater with firm, enforceable schedules. Groundwater unit investigations must be funded and returned to a compliant schedule, in order for the most basic information to be available about: the risks to the river, cumulative impacts from further disposal decisions or proposals to leave waste in place, and the needs for remediation.

The Board is also concerned about numerous other projects which are not currently funded within the FY 2009 target budget. This includes retrieval and certification of transuranic (TRU) waste; demolition and decontamination within the Plutonium Finishing Plant complex; beginning design for remote-handled waste processing capability; and soil remediation at the N and K areas and in the U and BC Crib waste sites. Some of these projects would have been underway if available funding had not been diverted to higher-priority projects, such as K Basins.

TRU waste retrieval and mixed waste treatment are among the milestones forecast to be missed due to inadequate funding. TRU retrieval is a longstanding priority concern of the Board, as the current TPA milestone and DOE baseline only address the more recently stored TRU in unlined burial grounds, and make no provision for the removal and cleanup of the higher-risk TRU buried before 1970.

Advice:

- DOE-RL's target budgets are inadequate. Major projects described above that are important to protect the environment and meet regulatory agreements are not adequately funded. DOE needs to greatly increase the amount of cleanup funding provided for Hanford.
- Funding should be included in the FY 2008 and 2009 budgets to increase efforts for groundwater cleanup along the Columbia River.
- Funding for retrieval of TRU and other wastes from burial grounds should be included in target budgets on a timeline to meet the completion of non-tank farm soil site cleanups prior to 2024. U Area and BC Crib soil cleanups should be funded, as contamination is spreading and significant investment has been made in developing remediation plans.

Safeguards and Security Costs

As the Board has indicated several times in prior advice, the costs to protect Hanford's plutonium and other special nuclear materials should not be borne by the cleanup program. These costs currently total about \$80 million a year – nearly as much money as is spent on Hanford's groundwater program and about four times more money than is spent on Hanford's tank waste retrieval program. DOE had previously indicated that once Hanford's plutonium is moved off site – and the Board is still hopeful that process can begin later this year – security costs would significantly decrease. Recently, the Board was told that, due to increased security requirements, even when the plutonium is removed from Hanford, security costs will not likely decrease much, if at all.

Advice:

- Safeguards and Security costs do not belong in the cleanup budget, per the Board's prior advice. These funds should be made available for cleanup, and the cost of safeguards and security borne by the DOE program that owns the plutonium and special nuclear material.

DOE-ORP

The Board believes that DOE-ORP is providing insufficient priority to the removal of sludges and other wastes from Hanford's single-shell tanks. Because operation of the vitrification plant complex is delayed by a decade and there is a relatively small amount of double-shell tank space available, DOE-ORP therefore unilaterally plans to cut back its tank waste retrieval program to about one tank a year.

The Board strongly believes this is not acceptable. Based on that schedule, only about 20 of Hanford's 149 single-shell tanks will have been emptied by 2018 – the current legal deadline for retrieving wastes from all 149 single-shell tanks (M-045-05).

At \$273 and \$271 million proposed for FY 2008 and 2009, respectively, DOE-ORP's tank farm budgets are woefully inadequate. These amounts are more than \$50 million less than the FY 2006 funding level. However, it is not possible to determine how much should be sought due to DOE-ORP's failure to disclose the costs of unfunded work which could be undertaken to recover from failure to meet compliance schedules, especially waste retrieval from single-shell tanks. Choices for accommodating retrieved waste range from new double-shell tanks to early start-up of low-activity waste (LAW) vitrification. Funds are needed to initiate review and planning for these choices.

Advice:

- DOE-ORP's tank farm budgets are inadequate, especially for tank waste retrieval. The State of Washington should set a recovery schedule for retrieval activities and DOE-ORP should be required to request funds to meet that schedule. Leaving wastes in single-shell tanks long after 2018 will likely result in additional tank leaks, and further complicate (and delay) vadose zone and groundwater cleanup beneath the tanks.
- DOE-ORP's baselines need to account for cleanup of the contamination from tank waste leaks. The spreading contamination needs extensive characterization and adoption of plans for active remediation, as well as funds to prevent further spread of the technetium plume. Funds for these purposes must be requested now and included in targets.

Waste Treatment Plant (WTP)

DOE-ORP's proposed new baseline, budget request and target budgets fail to support the legally required efforts to attempt to recover from delays in start-up of the WTP. Target funding of \$690 million a year for the WTP reflects the minimum level of funding necessary to consistently move this project forward.

Advice:

- DOE should make every effort to accelerate the planned 2018 opening of the Waste Treatment Plant, in particular the LAW facility.
- DOE should contract to have an expert review of the potential to increase throughput of the LAW facility.

Bulk Vitrification (Bulk Vit)

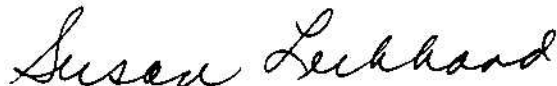
The Board is not unanimous in its view of bulk vit. Some would like to see the program canceled immediately, while others believe it is still a promising supplemental technology for treatment of Hanford's tank wastes.

The Board does agree that we can no longer continue to postpone a decision on whether bulk vit will be used at Hanford. If bulk vit is not the answer for technical, economic or other reasons, then we need to know that as soon as possible so DOE can move forward with funding and design of an additional low-activity vitrification facility or some other treatment path. The longer a decision on bulk vit is delayed, the more difficult it will be to have an alternate method of treatment available when needed.

Advice:

- DOE-ORP should work with its regulators to move forward and make a decision about the fate of bulk vit.
- DOE-ORP should analyze and provide to the Board and regulators the costs associated with the bulk vitrification demonstration moving forward and the likelihood of its success in resolving all technical and design issues, weighed against the cost of early startup and/or increasing capacity of the LAW facility. The window for planning earlier startup of LAW treatment is fast disappearing and needs funding in 2008 and 2009.

Sincerely,



Susan Leckband, Chair
Hanford Advisory Board

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.

cc: Dave Brockman, Co-Deputy Designated Federal Official, U.S. Department
of Energy, Richland Operations Office
Nick Ceto, Environmental Protection Agency
Jane Hedges, Washington State Department of Ecology
Doug Frost, U.S. Department of Energy Headquarters
The Oregon and Washington Congressional Delegations