



00-BMA-065

Advice # 107 From: Richard T. French

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

Dear Ms. Reeves:

RESPONSE TO COMMENTS ON HANFORD ADVISORY BOARD (HAB) CONSENSUS ADVICE #107

This letter and its attachments are in response to Advice #107 to the U.S. Department of Energy, Office of River Protection (ORP) on its Fiscal Year (FY) 2002 Integrated Priority List (IPL). We appreciate your participation in the FY 2002 budget formulation process and value your advice as we take this program forward to the actual construction and treatment of high-level tank waste at Hanford.

Below is my response to the bulleted list of concerns identified directly in the letter:

- ORP understands the difficulty faced by the HAB and the public in the budget review process resulting from the creation of ORP. However, I believe this difficulty is far out weighed by the advantages of ORP in the ability of Hanford to gain DOE Headquarter and Congressional support for treatment of high-level waste (HLW). As demonstrated in the FY 2001 President's Budget, ORP was successful in generating funds to support the construction of a waste treatment facility without stripping funds from other Hanford programs.
- ORP agrees with the HAB that the treatment of Hanford's tank waste is critical. All the energy of ORP is focused on safely managing the tanks while preparing to construct and operate a HLW treatment facility. Unfortunately, the contractual requirements for submittal of the BNFL Inc. proposal was not timely to the budget process for FY 2002.
- It is understood that the HAB has historically dealt with what is called a "compliance gap". ORP requested what it needed to meet its legal commitments under the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) and to support the start of HLW treatment in FY 2007. ORP does not recognize a compliance gap at this time as all funding needed was requested and there has been no action taken on the FY 2002 budget to indicate funding will not be received.
- ORP is dedicated to a public involvement process that is beneficial to both the public and ORP. ORP is committed to work with the DOE, Richland Operations Office in developing an improved process for next year's budget formulation that will meet the need for public involvement and provides value to ORP.

If you have any questions or want additional information please contact me, or Peter Bengtson, Office of Communications, (509) 373-9931.

Sincerely,

Richard T. French, Manager
Office of River Protection

BMA:PLM

Attachments (2)

1. Response to HAB
2. Response to FY02 HAB Advice #107

cc w/attach:

C. L. Huntoon, EM-1

T. Fitzsimmons, Ecology

D. Silver, Ecology

A. L. Dressen, EnviroIssues

C. Clarke, EPA

M. Gearhard, EPA

W. Ballard, RL

K. A. Kline, RL

The Oregon and Washington Congressional Delegations

Response to Hanford Advisory Board

Response to Clarification of Hanford Advisory Boards's (HAB) Concerns Relating to Unfunded Compliance Activities in the U.S. Department of Energy, Office of River Protection (ORP) Fiscal Year (FY) 2002 Integrated Priority List

Comment: There is a \$114 million compliance gap in unfunded legally required safety and cleanup work for the high-level nuclear waste tank programs under ORP. The bullets below highlight the concerns raised directly relating to lack of funding proposed for legally required safety and cleanup work by ORP, which are included in the HAB's consensus advice.

- There is not adequate funding available to fully support readiness to proceed.
- Infrastructure activities are not being funded at levels needed to support readiness to proceed.
- Funding for double-shell tank integrity is inadequate.
- Funding for single-shell tank retrieval is inadequate.

Note: In addition to areas of concern due to work not funded in the target level budget, the advice discusses numerous other ORP related items, especially advice relating to potential cost saving steps.

Response: ORP understands the HAB has historically dealt with what is called a "compliance gap". ORP FY 2002 budget request represented the funding required to meet its legal commitments under the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) and to support the start of high-level waste treatment in FY 2007. As such the bulleted list of items were adequately funded in our request. ORP does not recognize a compliance gap at this time as all funding needed was requested and there has been no action taken on the FY 2002 budget to indicate funding will not be received.

The response to the suggested cost saving steps is addressed in the attachment responding to the specific HAB advice.

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

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

Response: I agree that level funding is inadequate to support the construction and operations of a high-level waste (HLW) treatment facility and feed delivery system while maintaining the tank farms in a safe manner.

First bullet - U.S. Department of Energy (DOE), Office of River Protection (ORP) requested the required amount needed to maintain the tank farms in a safe manner to ensure worker and public safety and to meet its legal commitments under the Hanford Federal Facility Agreement Consent Order (Tri-Party Agreement).

Second and third bullets - Responses will be provided separately by the DOE Richland Operations Office (RL).

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

Response: I agree with this comment and, as such, ORP requested the required amount needed to maintain the tank farms in a safe manner and meet its legal commitments under the Tri-Party Agreement.

2a). Response will be provided by RL.

2b). See Attachment 1 of the letter for response.

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

Response: Response will be provided by RL.

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

Response: Response will be provided by RL.

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

Response: ORP is in process of changing the way it manages its contractors. The focus is on setting outcome related performance incentives. The results and savings will be demonstrated in the ability to perform more work for the same amount of money.

5a). ORP 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. All project activities have been independently reviewed within the last year.

- A review of the single-shell tank wastes (interim stabilization) has been completed. The review is in the process of comment resolution. A final report is expected by the end of June 2000.
- The funding for Double-Shell Tank Minimum Safe Operations was reduced in FY 2000, as a challenge to reduce base operating costs. Due to the age of the farms and the need to operate them in a safe manner until all wastes are retrieved, it has been necessary to restore this reduction. This increase will be used to fund cleanup of surface contamination in the farms, removal and disposal of failed equipment, replacement of old and failing tank monitoring equipment, etc.

5b-e). Responses will be provided by RL.

5f). ORP will review closely the priority of items in Essential Safety and Essential Services categories. However, as stated earlier, we are changing the way we manage our contractors and are incentivizing efficient operations by rewarding the contractor for doing more work for the same amount of money.

Comment 6: Priorities in the proposed budgets should be revised to protect the Columbia River and comply with Tri-Party Agreement milestones and other applicable regulations.

6a). Funding was requested for those Resource Conservation and Recovery Act monitoring wells for which ORP has responsibility.

6b-e). Responses will be provided by RL.

6f). ORP has approved funding to support demonstrations of low-volume retrieval technologies applicable to sludge and saltcake tank waste. These technologies, integrated with single-shell tank failure mode analysis and leak detection monitoring and mitigation capabilities, form the current strategy for retrieving waste from single-shell tanks. Continued monitoring around stabilized tanks is anticipated and funding is currently being secured.

6g). Response will be provided by RL.

6h). ORP continues to fully fund Vadose Zone investigations to define the nature and extent of past leaks and development of mitigative actions in support of proposed Tri-Party Agreement milestones M-45-50, and M-45-60 series.

6i). Response will be provided by RL.

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

Response: ORP is dedicated to a public involvement process that is beneficial to both the public and ORP. ORP is committed to work with RL in developing an improved process for next year's budget formulation that will meet the needs of regulators, tribal governments, HAB, and the public and provides value to ORP budget decisions.

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: Response will be provided by RL.

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For questions or comments, please send [email](mailto:Hanford_Advisory_Board@rl.gov) to Hanford_Advisory_Board@rl.gov

Response to HAB Advice #107 (April 20, 2000)

Subject: HAB Consensus Advice on U.S. DOE FY2002 Integrated Priority List

Letter from Richard French, dated June 16, 2000

URL: <http://www.hanford.gov/boards/hab/response/107.htm>

Last Updated: 08/04/2003 14:25:42