



Department of Energy

Washington, DC 20585

October 24, 2005

2006I-032

Mr. Todd Martin, Chair
Hanford Advisory Board
713 Jadwin Avenue, Suite 4
Richland, Washington 99352

Dear Mr. Martin:

Thank you for your interest in the Hanford Waste Treatment Plant (WTP). The cleanup of the Hanford Site and successful design, construction, and operation of the WTP remain among the highest priorities within the Department of Energy.

Enclosed are responses to the Hanford Advisory Board's (HAB's) Consensus Advice #178, dated September 9, 2005, concerning the challenges associated with this project. The HAB's continuing support and involvement are extremely important, and I look forward to further discussion with you and your members.

If you have any further questions, please call me at (202) 586-7709 or Melissa A. Nielson, Director of Internal/External Coordination, at (202) 586-0356.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Rispoli".

James A. Rispoli
Assistant Secretary for
Environmental Management

Enclosure

cc:

Roy J. Schepens, Manager, Office of River Protection
Keith A. Klein, Manager, Richland Operations Office

DOE Response to Hanford Advisory Board's Consensus #178 Advice

HAB Advice 1. The Board advises DOE to identify and request all of the funds required to complete construction of the Waste Treatment Plant with no delay to the Tri-Party Agreement schedule and without jeopardizing other Hanford projects.

DOE Response 1. The DOE FY 2006 funding request for the WTP will keep the design, procurement, and construction of the project moving forward in a positive direction. In addressing the Tri-Party Agreement milestones, the Department, along with the United States Army Corps of Engineers (USACE) and Bechtel National Inc. (BNI), is currently undertaking several major activities to ensure that we fully understand what is required to complete the project and begin plant operations, including a more accurate determination of the baseline cost and schedule. I will keep you informed of the new project baseline including cost and schedule and any potential impacts to the Tri-Party Agreements.

HAB Advice 2. The Board urges DOE not to delay progress on the vitrification plant and to continue to explore compliant alternatives to keep moving forward while resolving seismic and other design issues.

DOE Response 2. DOE has been very aggressive in responding to the cost, schedule, and technical issues surrounding the project. There are a number of highly professional reviews that DOE has commissioned that involve experts from within the Department, private industry, and the USACE. The plan is to continue moving forward with the project in a responsible and disciplined manner that includes:

- Slowing seismically related construction activities in the High-Level Waste and Pretreatment Facilities while focusing on design completion using the new seismic criteria and;
- Continuing construction activities in the Analytical Laboratory, Low Activity Waste and Balance of Plant Facilities.

It is anticipated that construction activities on the seismic impacted facilities (i.e., High-Level Waste and Pretreatment Facilities) will ramp up in the summer of 2006, assuming design of the specific components associated with the seismic upgrades has been completed.

In response to exploring alternatives, DOE has chartered a study to evaluate alternatives which may allow start-up of some mission facilities without the entire plant being operational. These include: 1) bringing the Low Activity Waste Facility on-line first, followed by High-Level Waste Facility and Pretreatment, and 2) bringing the High-Level Waste Facility on-line first, followed by Pretreatment and Low Activity Waste Facilities. In both scenarios, the Analytical Laboratory and Balance of Plant would be commissioned, and start operations with the first mission facility.

HAB Advice 3. The Board advises DOE to expeditiously share the Waste Treatment Plant cost and schedule status and potential project impacts with Congress, the Board, regulators, and the public.

HAB Response 3. As required under the Department's contract with BNI, a revised Project Estimate at Completion (EAC) was submitted to the Department on April 22, 2005. The Department's internal review of the BNI report concluded that the information provided did not allow the Department to sufficiently and properly determine the accuracy and viability of this project estimate. Thus, the Department commissioned an independent review by the USACE. The USACE report similarly concluded that the information provided by BNI on April 22, 2005, lacks sufficient detail needed to validate the proposed cost and schedule.

The Department, along with the USACE and BNI, is currently undertaking several major activities to ensure that we fully understand what is required to complete the project and begin plant operations, including a more accurate determination of the baseline cost and schedule.

In order to provide the best and most accurate information to Congress, the State of Washington and other interested parties, the Department has directed BNI to prepare a more detailed and updated EAC. Once submitted, the USACE will perform an independent review of the EAC which we anticipate will be completed by summer 2006. At that point, we expect that the Department will be able to provide a more accurate and verifiable picture as to the overall cost and completion date. You will be notified at this time of the new project baseline including cost and schedule.