



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

09-AMCP-0007

NOV 05 2008

Ms. J. A. Hedges, Program Manager
Nuclear Waste Program
State of Washington
Department of Ecology
3100 Port of Benton
Richland, Washington 99354

Mr. N. Ceto, Program Manager
Office of Environmental Cleanup
Hanford Project Office
U.S. Environmental Protection Agency
309 Bradley Boulevard, Suite 115
Richland, Washington 99352

Addressees:

2009 FUNDING AND HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) MILESTONES

In accordance with Tri-Party Agreement Article XLVII, and Article XLVIII, Section 149.F, this letter is to notify the U. S. Environmental Protection Agency (EPA) and the State of Washington Department of Ecology (Ecology) of the anticipated impacts to Tri-Party Agreement milestones due to the funding level associated with the Continuing Resolution. These impacts are consistent with the Tri-Parties' priorities of focusing available budget on completion of cleanup along the Columbia River Corridor.

Despite these impacts to some Central Plateau work (detailed in the attachment to this letter), important cleanup work is being funded and will continue or be completed in Fiscal Year 2009, consistent with the Tri-Parties' priorities. Examples include continued full-scale River Corridor cleanup such as waste site remediation, enhancements to groundwater systems, decontamination and demolition of River Corridor excess facilities (including the K East Fuel Storage Basin and N Reactor facilities), groundwater pump-and-treat enhancements on the Central Plateau, implementation of the selected remedy in accordance with the 200-ZP-1 Record of Decision, continuing de-inventory of plutonium from the Plutonium Finishing Plant, and accelerating work towards its demolition.

Addressees
09-AMCP-0007

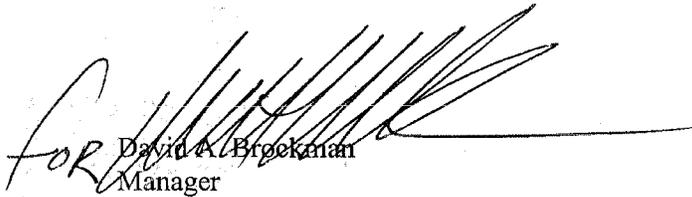
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In view of the Tri-Parties' priorities and the impacts of funding levels, we have attached a listing of the impacted milestones. The U.S. Department of Energy, Richland Operations office (RL) requests to work with you to make the necessary adjustments to the milestones consistent with the Continuing Resolution and seeks your suggestions on reallocating Fiscal Year 2009 Continuing Resolution funding if different from that specified in this letter. Also, if our final appropriation for Fiscal Year 2009, which is expected in the Spring of 2009, is substantially different from the Continuing Resolution funding level, we will again invite your suggestions on the appropriate reallocation of funds. In the meantime, RL will relieve the CH2M HILL Plateau Remediation Company LLC of meeting these milestones on the attached list and work toward the milestones will be suspended.

If you have any questions, please contact me, or your staff may contact Matt McCormick, Assistant Manager for the Central Plateau, on (509) 373-9971.

Sincerely,


David A. Brockman
Manager

AMCP:BLC

Attachment

cc w/attach:

G. Bohnee, NPT

L. Buck, Wanapum

S. Harris, CTUIR

R. Jim, YN

S. L. Leckband, HAB

J. G. Lehew, CHPRC

K. Niles, ODOE

**TRI-PARTY AGREEMENT MILESTONES IMPACTED
DUE TO FISCAL YEAR 2009 CONTINUING RESOLUTION FUNDING**

M-015 Series

M-015-46B	Submit 200 Area Chemical Laboratory Waste OUs Feasibility Study to Ecology	12/31/2011
M-015-38B	Submit revised FS Report and revised Proposed Plan for 200-CW-1 to Ecology	11/30/2010
M-015-21A	Submit 200-BP-5 OU Feasibility Study and Proposed Plan to EPA	10/31/2010
M-015-17A	Submit 200-UP-1 OU Combined RI/FS Report and Proposed Plan to Ecology	11/30/2010
M-015-42D	Submit a revised Feasibility Study Report and revised Proposed Plan for 200-TW-1 and 200-PW-5 OUs to EPA.	12/31/2011
M-015-42E	Submit a revised Feasibility Study Report and a revised recommended remedy(ies) for 200-TW-2 OU to Ecology	12/31/2011
M-015-43D	Submit the Feasibility Study Report and the revised recommended remedy(ies) for 200-PW-2 and 200-PW-4 OUs to Ecology.	12/31/2010
M-015-51	Submit a revised Feasibility Study Report and Proposed Plan for the 200 BC Cribs and Trenches for the new OU 200-BC-1 to EPA, that will include the results of the treatability tests for 200 BC Cribs and Trenches	04/30/2010
M-015-40E	Submit a Feasibility Study Report and Proposed Plan for 200-SC-1	12/31/2010
M-015-00	Complete the RI/FS (or RFI/CMS) process for all operable units.	12/31/2011
M-015-00C	Complete all 200 Area non-tank farm operable unit site investigations under approved work plan schedules through submittal of Feasibility Study Reports and a recommended remedy(ies).	12/31/2011

M-91 Series

M-91-01	Complete facilities for processing RH and/or large container TRUM	06/30/2012
M-91-40G	Retrieve CH-RSW 12,200 Cubic Meters (cumulative)	12/31/2009
M-91-40G-001	Retrieve All CH-RSW Within Burial Grounds 218-W-4C, 218-W-4B, 218-W3A and 218-E-12B	12/31/2010
M-91-41	Initiate full scale retrieval of RH RSW	01/01/2011
M-91-42	Complete Treatment or Certification Of Backlog CH TRUM	12/31/2011
M-91-42F	Complete Treatment Of All Backlog CH-MLLW By 12/31/09	12/31/2009
M-91-42L	Treat 6600 Cubic Meters CH TRUM (Cumulative)	12/31/2009
M-91-42M	Certify 7600 Cubic Meters CH TRUM (Cumulative)	12/31/2010
M-91-42N	Certify 8600 Cubic Meters CH TRUM (Cumulative)	12/31/2011
M-91-43E	Treat 300 Cubic Meters Year RH MLLW & Large Containers CH MLLW	06/30/2011
M-91-43F	Treat 300 Cubic Meters Year RH MLLW & Large Containers CH MLLW	06/30/2012
M-91-44A	Begin treating RH TRUM and large containers of CH TRUM	06/30/2012

The below deliverables are not specific milestones but are undergoing review and approval per the Tri-Party Agreement. These activities are not funded in Fiscal Year 2009 and will be suspended.

- Approve Revision 0 of the 200-CW-5 Feasibility Study and Proposed Plan (Comments from EPA received 10/17/08)
- Revise 200-UW-1 Feasibility Study and Proposed Plan
- Revise Revision 0 of the 200-UR-1 Remedial Investigation/Feasibility Study Work Plan to Revision 1
- Obtain approval of Revision 0 of 200-SW-1/2 Remedial Investigation/Feasibility Study Work Plan
- Disposition Revision 0 200-CS-1 Feasibility Study and Proposed Plan and TSD Closure Plans (Received from FHI 09/26/08)
- Obtain approval of supplemental characterization site-specific sampling and analysis plan addendum for the 200-LW-1 and 200-LW-2 Operable Unit



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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

January 22, 2009

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Ms. Merle L. Sykes
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Ms. Shirley J. Olinger
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United States Department of Energy
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Manager
Richland Operations Office
United States Department of Energy
P.O. Box 550, MSIN: A7-50
Richland, Washington 99352

Re: "2009 Funding and Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) Milestones" (Letter AMCP-0007, dated November 5, 2008, from USDOE-RL)

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

This letter is in response to the United States Department of Energy's letter and the 2009 funding plan associated with Congress's Continuing Resolution. This letter also identifies the need for further budget integration and improvements as we move into the Federal Fiscal Year (FFY) 2010 and 2011 budget development process.

TPA Mandates in Article XLVIII, Paragraphs 148 and 149

Tri-Party Agreement (TPA) Article XLVIII, Paragraphs 148 and 149 outline a budget preparation process that provides for timely interaction among the three parties. The desired outcome of budget development is submission of a budget that satisfies Hanford's compliance requirements. If the Congressional appropriation falls short of the level required for compliance, the desired outcome is for the parties to timely review and comment on funding allocation decisions before such decisions are made (subject to reservations) so that available funding can be best prioritized. By providing input in this post-appropriation phase, the state of Washington does not relieve the United States of any of its obligations to comply with TPA and other legal requirements.

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ENVIRONMENTAL
MANAGEMENT



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The TPA mandates in Article XLVIII, Paragraph 148 that:

DOE shall take all necessary steps to integrate Hanford programs and to obtain timely funding in order to fully meet its obligations under this Agreement. . . . In determining the workscope, priorities, and schedules, the [three] Parties shall consider the values expressed by the Hanford stakeholders [and Tribal Governments].

To this end, TPA Article XLVIII, Paragraph 149 establishes a process providing for:

. . . communication and consultation on work scope, priorities, schedules/milestones, and cost/funding matters . . . [as well as] . . . early identification of problems which could jeopardize [TPA] compliance.

Specifically, Paragraph 149.F requires that "Within 30 days after congressional budget appropriation," DOE shall "brief Ecology and EPA on the budget appropriation and subsequent funding allocations for the new fiscal year." If there is a delay in appropriation after the start of the fiscal year, DOE "shall inform Ecology and EPA of any congressional continuing resolution action, and the potential impacts" on milestones. Furthermore, Ecology and EPA "will be given timely opportunity to review and comment on the budget appropriation and make recommendations for reallocation of available funds."

Inadequate Level of Funding in FFY 2009

With respect to the current FFY 2009 budget situation, Ecology appreciates DOE-RL's November 5 notification of the Continuing Resolution circumstance and its anticipated inability to meet compliance requirements. Ecology notes that, in contrast, DOE-ORP failed to provide the same required notification and information.

Ecology is concerned about the inadequacy of funding for FFY 2009 and the inability of DOE-RL to meet the milestones as outlined in the November 5, 2008 letter. We are also concerned about the potential for both DOE-RL and DOE-ORP to miss other milestones and to recover timely cleanup in the future. This underscores the need for both DOE-RL and DOE-ORP to follow the communication and consultation steps required by the TPA throughout the annual federal budget cycle to give Ecology and EPA the opportunity to provide timely and collaborative input to DOE on Hanford budget priorities, contractor work execution priorities, and contract incentives.

DOE-RL's recent willingness to communicate budget information to stakeholders and the public is essential and commendable. However, Ecology requests that in the future DOE-RL and DOE-ORP consult with Ecology and EPA on budgetary matters before communicating with stakeholders and members of the public.

Ecology's priorities for FFY 2009 cleanup on the Hanford site

Ecology maintains that DOE-RL and DOE-ORP remain legally obligated to comply with all TPA milestones. Without waiving this position, and without excusing DOE from any non-compliance, Ecology offers the following lists of top priority activities for DOE-RL and DOE-ORP consideration to the extent that available appropriated funds are inadequate to fund all required milestone activities.

Richland Operations

- Finishing cleanup of the contaminated buildings, soil, and groundwater in the river corridor (including K Basins) to reduce the risk to the river and to users of the Hanford Reach National Monument.
- Completing Plutonium Finishing Plant remediation to reduce environmental and worker risk and to conclude the attendant safeguards and security costs.
- Continuing ongoing soil remediation projects in the Central Plateau. Completing regulatory documents on the near-term TPA schedule to enable work to proceed if funds become available.
- Finishing transuranic waste and mixed waste backlog retrieval as soon as funding is available.

Office of River Protection

- Constructing the Waste Treatment Plant (WTP). Identifying, communicating, and addressing technical and scheduling problems early.
- Maintaining safe tank farm storage and driving down the cost of base operations at the tank farms.
- Retrieving single-shell tanks and making fully utilizing the 242-A evaporator to make maximum progress prior to readiness of the WTP.
- Completing upgrades to systems and facilities required to support timely retrieval and WTP operations (e.g., early building and transferring of tank waste to waste receiver facilities to provide for additional double-shell tank storage capacity).
- Completing studies required to size supplemental tank waste treatment capacity and select technology.

Budget Process Integration and FFY 2010 Expectations

At the DOE Headquarters level, Ecology encourages DOE to modify the existing project baseline summary budget requirements and structure to give needed flexibility to the DOE field offices, so they may shift funds between cleanup activities to respond to changing field conditions and opportunities.

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At both the DOE Headquarters and Hanford Site level, Ecology reiterates its position that DOE is legally obligated to meet all TPA milestones and is responsible for submitting a budget sufficient to attain these milestones. DOE should fully integrate and reconcile its project baselines and the new prime contracts for 2009 for the next five years, at a minimum, with these legal milestones and requirements. For those matters addressed by current TPA milestones that are now unachievable due to DOE's delays (namely, tank waste retrieval and treatment), DOE should develop project baselines that allow for such work to move forward as quickly as possible. In this way, DOE's delays beyond the milestone dates will be minimized to the maximum extent possible.

It is critical that Ecology (and EPA) be involved right now in current DOE and contractor efforts to update Hanford's cleanup project baselines (work plans) to make sure there is opportunity for input on key assumptions and agreement on what the actual cleanup work should be.

It is important that DOE utilize annual prime contract incentives that not only align with legal milestones, but also drive efficiencies and work practices that will reduce hotel and base operations costs. The prime contracts' unique incentive clauses are an essential part of Hanford's work scope planning and project execution. They need to be vetted among the three parties and with the public in conjunction with the annual budget priorities.

DOE needs to work with regulators and the Hanford Advisory Board to develop and finalize the integrated priority lists for DOE-ORP and DOE-RL. The three parties need to reach agreement on the integrated priority lists so that "shovel ready" cleanup projects can proceed as additional funding becomes available.

Ecology has the following near-term expectations of DOE-RL and DOE-ORP in the upcoming budget development process for FFY 2010 and FFY 2011:

1. Spring of 2009 – Develop budget priorities and baselines for FFY 2011 budget submission, meet with regulators, and share project budget and baseline information openly.
2. Spring of 2009 – Adjust FFY 2010 and FFY 2009 budget priorities to reflect Congressional and/or DOE-HQ direction, while meeting legal requirements.
3. August 2009 – Consult regulators regarding planned FFY 2010 budget alignment with TPA milestones, work plans, and contract incentives to reflect regulator and stakeholder priorities.

These expectations supplement, and do not replace, the obligations outlined in TPA Article XLVIII, Paragraphs 148 and 149.

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

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We look forward to working with DOE to help it meet its legal obligations and ultimately succeed in the Hanford cleanup. Please contact Ron Skinnarland at 509-372-7924 concerning budget and TPA issues or ideas.

Sincerely,



Jane A. Hedges

Program Manager

Nuclear Waste Program

cc: Richard Campbell, EPA
Stuart Harris, CTUIR
Gabriel Bohnee, NPT
Russell Jim, YN
Susan Leckband, HAB
Ken Niles, ODOE

American Recovery and Reinvestment Act Funding at the Hanford Site



U.S. DEPARTMENT OF
ENERGY

Environmental
Management

FACTS AT A GLANCE

Funds provided: \$1.961 billion



Hanford Mission: *The Office of River Protection and Richland Operations Office are the two Department of Energy (DOE) field offices responsible for cleanup of the Hanford Site.*

How were projects identified and selected: *Projects were selected based on three primary criteria: creating/saving jobs, reducing the footprint of the active area of Hanford cleanup, and reducing the overall cost of cleanup (life-cycle costs). DOE selected projects that are covered under current regulatory documents and current prime contracts, allowing work to begin quickly. The work supports strategies for cleaning up Hanford and are intended to be consistent with the priorities of regulatory agencies, tribes, and Hanford stakeholders.*

Where will information be posted:

www.hanford.gov/recovery

Information on hiring and contracting:

www.plateauremediation.com

www.washingtonclosure.com

www.wrpstoc.com

Note: Projects listed are those selected for American Recovery and Reinvestment Act funding and are activities that will be conducted in addition to work supported by annual funding at Hanford.

Richland Operations Office: \$1.635 billion

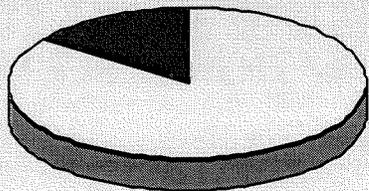
Columbia River Corridor Cleanup

- ▶ Demolish facilities and remediate waste sites near the K Reactors. Includes disposition of the K East Reactor.
- ▶ Remediate trenches at the 618-10 Burial Grounds and remediate newly identified waste sites in the 100 Areas.
- ▶ Accelerate groundwater remediation near the Columbia River: Build new/expand current treatment systems, install monitoring and treatment wells, test new methods for containing and treating contaminants.

Central Plateau Cleanup

- ▶ Continue development of regulatory decision documents (e.g., Records of Decision, Dangerous Waste Closure Plans).
- ▶ Outer Zone, 200 North Area: Demolish spent fuel transfer facilities, remediate waste sites, dispose of locomotive and rail cars.
- ▶ Outer Zone: Complete cleanup of contaminated soil surrounding the B/C Cribs (known as the B/C Control Area), remediate up to 20 miscellaneous waste sites, decommission excess wells
- ▶ Outer Zone: Complete closure plans for two landfills that once received non-radioactive, hazardous waste and solid waste.
- ▶ Inner Zone, Plutonium Finishing Plant: Clean out and prepare 25 facilities for demolition, remove processing equipment from facilities.
- ▶ Inner Zone, U Plant: Demolish 5 remaining ancillary facilities, grout-fill processing cells.
- ▶ Inner Zone: Demolish 14 industrial facilities in the 200 East/West Areas, demolish the plutonium criticality laboratory (209-E).

Total Funding by DOE Field Office



□ Richland Operations Office
■ Office of River Protection

American Recovery and Reinvestment Act Funding at the Hanford Site

Central Plateau Cleanup, cont'd

- ▶ Groundwater Remediation: Accelerate construction of a facility and install additional wells in the 200 West Area to treat and contain contaminated groundwater in the Central Plateau.
- ▶ Inner Zone, Environmental Restoration Disposal Facility: Construct two new disposal cells, expand operations to accommodate more trucks hauling cleanup debris to the disposal facility.
- ▶ Inner Zone, Transuranic (TRU) and Solid Waste: Continue retrieving and re-packaging contact-handled TRU waste, initiate retrieval of remote-handled TRU waste, continue building backlog of waste for shipments of TRU waste off the site, complete treatment of backlog of legacy mixed, low-level waste.

Hanford Reach National Monument (Arid Lands Ecology) Cleanup

- ▶ Demolish 11 excess facilities, clean up nearly 300 debris areas (not contaminated).

Office of River Protection: \$326 million

- ▶ Tank Farm Upgrades to enhance reliability and operability: install new corrosion probe and cathodic protection system; refurbish/replace leak detectors; remove obsolete equipment; upgrade electrical system; procure spare pumps, valves and filters to reduce down-time.
- ▶ Infrastructure Upgrades to support tank waste operations and cleanup: increase capacity and extend life of the 242-A Evaporator; evaluate additional evaporator capacity; prepare the 222-S Laboratory to support tank waste operations

