



Tri-Party Agreement

DEC 4 2003

04-RCA-0038

Mr. Nicholas Ceto, Program Manager
 Office of Environmental Cleanup
 Hanford Project Office
 U.S. Environmental Protection Agency
 712 Swift Boulevard, Suite 5
 Richland, Washington 99352

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EDMC

Dear Mr. Ceto:

NOTIFICATION THAT HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) MILESTONE M-34-28, "COMPLETE REMOVAL OF SPENT NUCLEAR FUEL EQUIVALENT TO 1,619 METRIC TONS OF HEAVY METAL WILL NOT BE COMPLETE BY DECEMBER 31, 2003,

The purpose of this memorandum is to inform you that the Tri-Party Agreement Milestone M-34-28 will not be completed by the date committed. Briefly, this interim milestone states that a cumulative total of 1,619 Metric Tons Heavy Metal (MTHM) of spent nuclear fuel is to be removed from K Basins and transported to the Cold Vacuum Drying Facility for processing by December 31, 2003. Fluor Hanford, Inc. has formally notified the U.S. Department of Energy, Richland Operations Office (RL) that this interim milestone will not be completed by that milestone date.

Several equipment failures have contributed to missing this milestone, most recently involving the Fuel Transfer System (FTS). The downtime of the FTS has decreased fuel removal production because this is the system that transfers fuel from the KE Basin to the KW Basin to support loading of multi-canister overpacks. As of December 1, 2003, approximately 1,515 MTHM have been removed from K Basins. A balance of 104 MTHM remains to be removed to meet the milestone.

If you have questions, please contact me, or you may contact Matthew S. McCormick, Assistant Manager for the Central Plateau Project, on (509) 373-9971.

Sincerely,

Joel Hebdon, Director
 Regulatory Compliance and Analysis Division

RCA:HMR

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