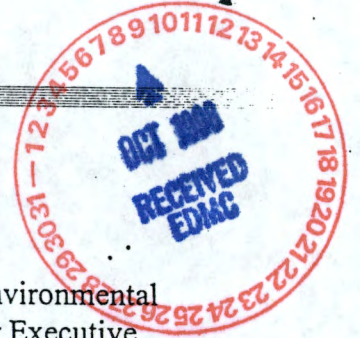




Tri-Party Agreement

RESOLUTION OF DISPUTE

Milestone M-34 (Spent Nuclear Fuel Project)

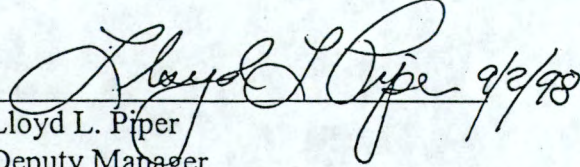


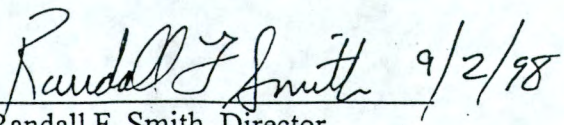
On August 14, 1998, the Spent Nuclear Fuel Project dispute between the Environmental Protection Agency and the Department of Energy was referred to the Senior Executive Committee for resolution. This dispute concerned the schedule for the Spent Nuclear Fuel Project, including the removal of spent nuclear fuel, sludge, debris, and water from the K Basins, and the completion of stabilization activities at the K Basins.

The undersigned, members of the Senior Executive Committee, have resolved the dispute.

There are two important components to this resolution:

- (1) The parties have tentatively agreed on a package of changes (Attachment 1) to the Hanford Federal Facility Agreement and Consent Order (the Tri-Party Agreement). The commitments in the change package will alter the project somewhat, compared to the April 15 schedule recently discussed in Congressional hearings. Removal of spent nuclear fuel from K West Basin is speeded up slightly, and K East Basin removal is delayed. The overall end of the project is faster. In sum, the changes are intended to make the project more logical, more efficient, and more likely to reliably deliver the results promised by the milestones. These changes are attached to this Resolution of Dispute. These changes must also be approved by the Department of Ecology. The parties intend to submit this package of changes to the Tri-Party Agreement to a thirty day public comment period to run from approximately October 14 to November 13, 1998. Following a review and response to public comments, the parties expect to approve changes to the TPA by January 1, 1999.
- (2) In order to meet the milestones to be put in the Tri-Party Agreement, it is critical that the Spent Nuclear Fuel Project make continued significant improvements in overall project efficiency and effectiveness. EPA and DOE are encouraged by recent progress, but there is more to be done. EPA and DOE have developed a separate "Framework for Spent Nuclear Fuel Project Improvement" (Attachment 2). This Framework is a key component of this dispute resolution, and forms the foundation for the parties' agreement on the schedule.


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