



January 6, 2003

Mr. Keith Klein, Manager  
 United States Department of Energy  
 P.O. Box 550, MSIN: A7-50  
 Richland, Washington 99352

RECEIVED  
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EDMC

Dear Mr. Klein:

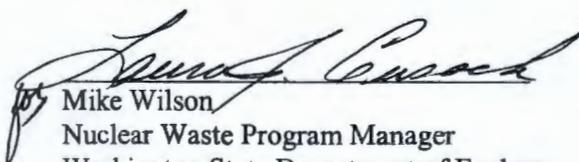
Re: Failure to Complete Milestones M-34-08 and M-91-20

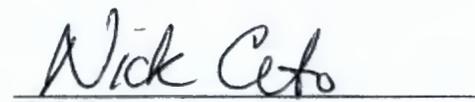
The United States Environmental Protection Agency (EPA) and the Washington State Department of Ecology (Ecology) hereby notify the United States Department of Energy (DOE) of its failure to complete Hanford Federal Facility Agreement and Consent Order (HFFACO) interim milestones M-34-08 and M-91-20. Milestone M-34-08 is to "Initiate Full Scale K East Basin Sludge Removal". Milestone M-91-20 requires T-Plant to be ready to receive the first canister of K Basin floor and pit sludge. These milestones were both due to be completed by December 31, 2002.

DOE has failed to complete the work required by these milestones by the specified deadlines. Under Articles IX and XX of the HFFACO, DOE is subject to the assessment of stipulated penalties for each of these violations of HFFACO requirements. Stipulated penalties of up to \$5,000 for the first week and up to \$10,000 for each additional week for which DOE fails to comply with milestone requirements may be assessed. Other sanctions and remedies also may be available by virtue of DOE's violation of the HFFACO. DOE is advised to take the steps necessary to achieve compliance as quickly as possible. EPA and Ecology will make a determination on the amount of stipulated penalties to be assessed upon completion of the work required by milestones M-34-08 and M-91-20, or upon such earlier time as they deem appropriate. In the event that EPA and/or Ecology assess a stipulated penalty, DOE may invoke dispute resolution, in accordance with Articles IX and XX of the HFFACO, on the question of whether the failure to complete the milestone(s) did in fact occur.

If you have any questions regarding this matter, please feel free to contact Fred Jamison, Ecology, at (509) 736-3022, or Larry Gadbois, EPA, at (509) 376-9884.

Sincerely,

  
 Mike Wilson  
 Nuclear Waste Program Manager  
 Washington State Department of Ecology

  
 Nick Ceto  
 Hanford Project Manager  
 U.S. Environmental Protection Agency

cc: Mark French, DOE  
 Joel Hebdon, DOE  
 Tod Schrader, DOE

Steve Veitenheimer, DOE  
 Ken Niles, OOE  
 Administrative Record: 100-KR-2, and T Plant