



Department of Energy

Richland Field Office

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93-EPB-075

Mr. George C. Hofer
Hanford Project Manager
U.S. Environmental Protection Agency
1200 Sixth Ave.
Seattle, Washington 98101

Mr. Roger F. Stanley, Director
Tri-Party Agreement Implementation
State of Washington
Department of Ecology
P. O. Box 47600
Olympia, Washington 98504-7600



Dear Messrs. Hofer and Stanley:

U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) AND STATE OF WASHINGTON DEPARTMENT OF ECOLOGY PARTICIPATION IN THE ENVIRONMENTAL RESTORATION (ER) PROGRAM OPTIMIZED BASELINE PROJECT

The U.S. Department of Energy (DOE) Richland Operations Office (RL), Environmental Restoration Division would like to formally respond to EPA's letter (Hofer to Freeberg) dated May 20, 1993, subject: ER Optimized Baseline Project, and to again request your active participation in this short and long-range strategic planning initiative. We recognize that each regulatory agency is involved in the Tank Waste Remediation System (TWRS) negotiations. However, we would like to explain why your participation is viewed as vital to the long-range success of the Hanford ER and Decommissioning Programs.

When the Hanford Federal Facility Agreement and Consent Order (Tri-party Agreement) was signed four years ago, little was known of the complexity of performing ER activities under the DOE system. There were significant organizational, institutional, and technical issues to be addressed. As an example, the DOE Assistant Secretary for ER and Waste Management decided to manage the ER and Decommissioning Programs at the DOE complex level as Major System Acquisitions (MSAs), subject to the DOE Energy System Acquisition Advisory Board review and validation. This fact is significant in that each federal DOE facility with a remediation mission must follow selected DOE orders and procedures (e.g., DOE Order 4700.1, Project Management System, and DOE Order 5700.3, MSA Procedure). One specific requirement for a MSA is to obtain validation of a "baseline" project plan.

We have initiated the "Hanford Past Practices Strategy," and are making progress in incorporating the recommendations from various reviews performed on our program. The ER Roadmap Plans and the Schedule Optimization Study (SOS) Implementation Plan were the first documented strategic planning efforts to identify and take corrective action on the many issues. We continue to work to improve the DOE system to better accommodate ER and decommissioning corrective and remedial actions (RAs). Please note that several recommendations from the SOS provide strong support to conducting the Optimized Baseline Project (See Recommendations R.12, R.13, R.14, R.18, R.43 and R.44).

We are concerned that the existing Tri-Party Agreement Action Plan and Milestones for the ER Program need to be revisited to achieve short-term and long-term strategic success (Specifically Milestone M-13; Submit six Remedial Investigation/Feasibility Study [RI/FS] or Resource Conservation and Recovery Act Facility Investigation Corrective Measures Study [RFI/CMS] Work Plans Per Year). We believe that allies in Congress and the public will be disheartened by the relative level of actual remediation versus the levels of costs placed before them. We are fast approaching the limit of annual funding that the ER Program can efficiently use or expect will be funded. The Hanford ER Program has already progressed from a budget of \$34M in FY 1989 to \$174M in FY 1993. This rate of growth has proven to be taxing on all parties involved. The funding shortfalls projected starting in FY 1994 and FY 1995 are not just the consequences of cost and schedule controls; they are the consequences of fundamental strategic differences between meeting Tri-Party Agreement milestones and embarking on a solid short and long-term strategic plan that integrates ER with surplus facility decommissioning actions, based on acceptable future site use agreements, coupled with the requirement for disposal capacity and infra-structure systems to support the strategic plan.

Under the current Tri-Party Agreement milestones for the ER Program, we will be forced to commit resources to producing work plans that will compete for resources that could be applied towards ER and decommissioning projects. Remediation and decommissioning actions will be further delayed because there will be reduced funds available to design, permit, and construct a facility to dispose of the remediation and decommissioning waste. Finally, with emphasis to produce work plans and conduct RI/FS and RFI/CMS to meet milestones, there will be limited funding available to initiate large-scale remediation and integrate decommissioning projects with past-practice RA.

The DOE has been criticized for excessive remediation costs. In the past two years, Hanford ER Program has been in the process of developing well-documented technical, cost, and schedule baselines. In developing cost estimates, the Hanford ER Program has developed a RI/FS cost model for estimating RI/FS workscope. This model has been the subject of several extensive cost reviews with very little criticism. Recommendations were incorporated in improving the model. Furthermore, the U.S. Army Corps of Engineers developed over ten cost models in estimating the remediation workscope for the FY 1995-1999 Baseline. The remediation estimates were

produced using a sophisticated cost estimating software named MCACES, which allowed detailed cost estimating documentation. As a result of the development of these estimating tools, the Hanford ER Program has well documented cost estimates tied to a defined workscope. This documented baseline controlled through a change control process should help us control future costs.

The Optimized Baseline Project has been planned and designed to be a robust systems engineering process that attempts to identify all of the components of the ER Program and integrate those factors into a strategic planning model and a technical, schedule, and budget baseline that effectively satisfies the needs of the regulatory community and affected stakeholders.

Two initial topical sessions were held on May 18-19, 1993, dealing with Planning Overview and Lessons Learned from other programs. Included in the Lessons Learned session were discussions dealing with the TWRS re-baselining effort and the SOS. A major theme that emerged from these sessions was the effect that other programs and activities may have on the ER Program, and we have realigned the Optimized Baseline Project topical sessions to more clearly define these interfaces. As the present renegotiations clearly point out, remediation of the Hanford Site must be addressed as an integrated process, that addresses and incorporates a number of difficult and complex issues.

We believe that we must jointly present to Congress, the Office of Management and Budget, and the public an achievable technical, cost and schedule baseline for the life-cycle of the ER and Decommissioning programs. This baseline must show aggressive visible progress for remediation of the Hanford Site, that it is achievable under realistic funding scenarios, is consistent with acceptable future site use scenarios, and supports a long-range vision and strategy. We also recognize that remediation costs at DOE sites are still higher than desired for numerous reasons and we are striving to implement more cost-effective work methods. The goal of the Optimized Baseline Project is to apply robust and proven strategic planning tools to the ER Program and develop a short-range and long-range blueprint that will accomplish our mission. We must select the optimum integrated ER Program alternatives that meet stakeholder values, provide defensible and achievable cost estimates to support budget actions, and begin to move toward a strategic vision in FY 1994. Therefore, we are striving to complete our analysis of all program elements and prepare a baseline strategic plan, complete with schedules, milestones, and cost estimates prior to the end of September 1993.

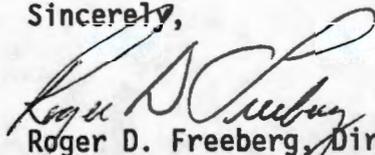
Again, your participation is important to us. Your input would provide us the needs and values of the regulatory community, as well as the needs and values of the stakeholders that you represent. Our joint selection of the optimum strategic plan may be incomplete if you choose not to voice your concerns. Your participation will also provide you insight into the budget development process, and lead to a mutual understanding of the concerns of all parties.

Messrs. Hofer and Stanley
93-EPB-075

-4-

In closing, we view the Optimized Baseline Project as an extremely important strategic planning process that is necessary to insure the continued viability and success of the ER Program. We also believe that this project will become an important source of information for the concurrent TWRS, ER Program, and Tri-Party Agreement renegotiations. Additional topical sessions are planned for June 15, 16, 17, and 24, and July 12-16, 1993. (See Attachment). If you have any questions or desire additional information, please contact Ms. Nancy Werdel or Mr. Jim Goodenough of my staff on (509) 376-5500 or (509) 376-7167, respectively.

Sincerely,



Roger D. Freeberg, Director
Environmental Restoration Division

ERD:NAW

Attachment

cc w/att:

B. A. Austin, WHC
D. R. Sherwood, EPA



ENVIRONMENTAL RESTORATION

OPTIMIZED BASELINE PROJECT

Topical Session: Future Site Use

June 15, 1993; 7:30 AM to 12:30 PM
740 Stevens Center, Room 2200

AGENDA

7:30 a.m. - 7:45 a.m.	Welcome and Introduction of Session (Jim Goodenough/Paul Kleinen)
7:45 a.m. - 8:45 a.m.	The Future Site Use Working Group Report (S. Weissberg, T. Bergman)
8:45 a.m. - 9:45 a.m.	The Hanford Remedial Action Environmental Impact Statement (HRA-EIS) Implementation Plan and Working Group Recommendations (S. Weissberg)
9:45 a.m. - 10:00 a.m.	Break
10:00 a.m. - 11:00 a.m.	Groundwater Remediation (R. Stewart)
11:00 a.m. - 12:00	Long-term Groundwater Discharge (D. Bryson)
12:00 - 12:30 p.m.	Discussion

ENVIRONMENTAL RESTORATION

OPTIMIZED BASELINE PROJECT

Topical Session: Technology Development

**June 16, 1993; 7:30 AM to 12:30 PM
740 Stevens Center, Room 1600**

AGENDA

7:30 a.m. - 7:45 a.m.	Welcome and Introduction of Session (J. Goodenough/P. Kleinen)
7:45 a.m. - 8:45 a.m.	ER Program Baseline Technology Plan (M. Adams, J. Woolard, J. Field, C. Kindle)
8:45 a.m. - 9:00 a.m.	Break
9:00 a.m. - 10:00 a.m.	New and Emerging Technology (D. Trader)
10:00 a.m. - 10:15 a.m.	Break
10:15 a.m. - 11:15 a.m.	A Long-Range Strategy for Integrating and Applying Technologies (J. Keller)
11:15 a.m. - 12:30 p.m.	Discussion

ENVIRONMENTAL RESTORATION

OPTIMIZED BASELINE PROJECT

Topical Session: Make-Up Session

June 17, 1993; 7:30 AM to 12:30 PM
740 Stevens Center, Room 2200

AGENDA

7:30 a.m. - 7:45 a.m.	Welcome and Introduction of Session (J. Goodenough/P. Kleinen)
7:45 a.m. - 8:45 a.m.	Solid Waste Management and Transportation Projects (J. Augustenborg, S. Moy)
8:45 a.m. - 9:45 a.m.	100 B/C Large Scale Remediation (A Case Study) (R. Stewart, M. Lauterbach)
9:45 a.m. - 10:00 a.m.	Break
10:00 a.m. - 11:00 a.m.	Macro-Engineering Study (R. Stewart, M. Adams)
11:00 a.m. - 12:00	The Systems Engineering Process at RL (TBD)
12:00 - 12:30 p.m.	Discussion

ENVIRONMENTAL RESTORATION

OPTIMIZED BASELINE PROJECT

Topical Session: Strategies for Long-Range Issues

June 24, 1993; 7:30 AM to 12:30 PM
740 Stevens Center, Room 2200

AGENDA

7:30 a.m. - 7:45 a.m.	Welcome and Introduction of Session (Jim Goodenough/Paul Kleinen)
7:45 a.m. - 8:45 a.m.	Tank Remediation (B. Foley, T. Wintczak)
8:45 a.m. - 9:45 a.m.	Decontamination and Decommissioning of Surplus Facilities (J. Collins, M. Hughes)
9:45 a.m. - 10:00 a.m.	Break
10:00 a.m. - 11:00 a.m.	N Reactor Deactivation/Decommissioning (J. Collins, H. Trumble)
11:00 a.m. - 12:00	Transfer of other Defense Production Facilities to Environmental Restoration (J. Mecca, J. Collins, M. Hughes)
12:00 - 12:30 p.m.	Discussion

CORRESPONDENCE DISTRIBUTION COVERSHEET

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Subject: U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) AND STATE OF WASHINGTON
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