



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

NOV 05 2001

02-RCA-030

Ms. Laura J. Cusack, Project Manager  
Nuclear Waste Program  
State of Washington  
Department of Ecology  
1315 W. Fourth Avenue  
Kennewick, Washington 99336

Dear Ms. Cusack:

**COMPLETION OF TRI-PARTY AGREEMENT MX-92-06-T01 ACTIONS AND THE ALTERNATIVE EVALUATION FOR THE DISPOSITION OF THE REMAINING FUEL**

This letter is to inform you that the U.S. Department of Energy, Richland Operations Office (RL), has completed the Uranium Disposition Project actions planned for Fiscal Year 2001, as was agreed to in Tri-Party Agreement MX-92-06-T01. At the end of September 2001, RL completed the transfer of 235 metric tons of uranium billets from the 300 Area to the U.S. Department of Energy, Portsmouth Ohio Site; and shipped offsite or buried at the Hanford Low-Level Burial Grounds all of the UO<sub>2</sub> materials from the 200 and 300 Areas. In addition, during 2001, RL also buried 135 metric tons of the "contaminated" un-irradiated finished uranium fuel (<1 percent) and the remaining UO<sub>3</sub> and uranium scrap materials from the 200 and 300 Areas, advancing the work on Tri-Party Agreement MX-92-06-T02 ahead of schedule. At this time, all that remains at Hanford is approximately 825 metric tons of the un-irradiated finished and unfinished uranium fuel material located in the 300 Area, which is planned to be dispositioned by September 30, 2006, per Tri-Party Agreement MX-92-06-T02.

Also, enclosed for your review and information is a copy of the study entitled "Alternative Evaluation for Disposition of Remaining Fuel (HNF-8804)." This study was initially requested by RL in order to evaluate the different disposition alternatives and the economics of each alternative for the approximately 825 metric tons of un-irradiated uranium fuel remaining in the 300 Area that needs to be removed prior to September 30, 2006. This is in accordance with the Tri-Party Agreement target milestone MX-92-06-T02. This study was conducted in order to define the possible disposition paths available for this material, and to do some preliminary project planning pending the Solid Waste (SW) Environmental Impact Statement (EIS) Record of Decision (ROD) to be made in late 2002 regarding the burial decision on these materials. The alternatives addressed in the study are as follows:

1. **Consolidate all fuel materials in one new building in the 200 Area.** This alternative could be viable if the SW EIS ROD does not allow burial of the fuel, and instead requires continued storage at the Hanford Site. This alternative was considered as the fuel materials will need to be moved out of the 300 Area to the 200 Area, in order to resume cleanup of the 300 Area under the 2012 Plan, and in order to meet the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) target milestone



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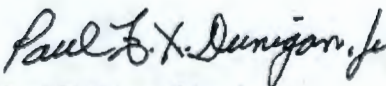
commitment on these remaining uranium materials. The life cycle cost of this option is to relocate out of the 300 Area and continue to store the materials in the 200 Areas until 2010, and is estimated at \$11.52 million in the study. Note that this option does not really disposition the material, as the materials are only relocated out of the 300 Area.

2. **Transfer all fuel materials to the Oak Ridge Portsmouth Site in Ohio.** The estimated cost of repackaging, shipping, receiving, and storage for this alternative is estimated at \$14.32 million in the study. This option assumes that Oak Ridge will accept all the materials to their Portsmouth Site, which is unlikely and that they will ultimately sell or further disposition all these materials in the future as they deem necessary.
3. **Transfer all the fuel to the Low-Level Burial Grounds (LLBG) for burial.** This alternative could be a viable alternative if it is selected in the SW EIS ROD. The life cycle cost of this option is estimated at \$6.26 million in the study.
4. **Transfer only the 1.25% fuel to the Oak Ridge Portsmouth Site, and bury the rest at Hanford.** This alternative was considered during the course of the study because it was found that the only materials having a positive market value are the 1.25% enrichment materials. The life cycle cost of this option is estimated at \$8.59 million in the study. The study concludes that only the 1.25 percent enriched materials could have future potential gross asset market value, however, even these materials would have a negative asset value once they are dispositioned under any alternative (Table 2.).

Based upon the market uncertainties and the safety aspects in handling of these materials, the study concludes with a recommendation to implement alternative #3. This alternative will transfer all of the remaining materials to the Hanford LLBG for burial. This will need to be coordinated with the SW EIS decision now expected in late FY 2002.

If you have any questions concerning this study, please contact Gloria Williams, of my staff, on 372-0586, or R. L. (Leo) Guillen, of the Facility Transition Division, on (509) 376-0254

Sincerely,

  
Joel Hebdon, Director  
Regulatory Compliance and Analysis Division

RCA:JKY

Enclosure

cc w/encl:  
F. W. Bond, Ecology  
B. Jentzen, Ecology

cc: w/o encl:  
R.W. Bailey, FHI  
S. S. Bath, FHI  
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