



U.S. Department of Energy
Hanford Site

0073850

AUG 28 2007

07-OEC-0060

Ms. Susan L. Leckband, Chair
Hanford Advisory Board
Enviroissues Hanford Project Office
713 Jadwin, Suite 4
Richland, Washington 99352

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EDMC

Dear Ms. Leckband:

FISCAL YEAR (FY) 2008 AND 2009 AND OUTYEAR BUDGETS – ADVICE #198

We are very pleased to hear that, for the most part, the information provided by the Department was sufficiently detailed to provide for meaningful, specific feedback and dialogue on future budgets. Additionally, it is good to hear that there is recognition of the significant efforts the U.S. Department of Energy, Richland Operations Office (RL) and the Office of River Protection (ORP) have made to balance funding allocations between competing priorities and requirements. While the Hanford Advisory Board (HAB) does advise increased near-term investment in several areas, there does not appear to be a general misalignment between your priorities and values and planned expenditures.

In response to HAB Advice on FY 2008, FY 2009, and Outyear budgets, the RL and ORP have enclosed our July 13, 2007, FY 2009 Environmental Management (EM) Budget submittals. RL requested \$1,430.8M which is required to continue to meet our commitment to clean up the legacy of the Hanford Site and is consistent with the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement). ORP requested \$1.081M in funding for FY 2009 consistent with our validated and Secretarial Acquisition Executive approved baselines. The ORP budget request is not consistent with achievement of the Hanford Federal Facilities Agreement and Consent Order upcoming milestones. Our final submittal letters describe in more detail what work both offices will accomplish in FY 2009.

We thank you for your comments and recognition of the enhanced information content that was made available and discussed with the Board, regulators, and the public. Because of the process developed at Hanford working with the Board, EM issued complex-wide guidance on how the U.S. Department of Energy (DOE) should involve Site Specific Advisory Boards in the development of DOE budgets. In addition, we appreciate the collaboration and feedback from the Public Involvement Committee on our budget outreach efforts this year. Based on this collaboration, the Hanford Pie-Chart Priorities Exercise was developed. This exercise elicited more focused feedback from the public and served to promote greater interactive dialogue between members of the public and the agencies. Unlike past years where we could only provide DOE Headquarters (DOE-HQ) with general themes (trends) from the public meetings, this year RL and ORP's budget submittal contained specific information on the public's priorities and values along with written comments.

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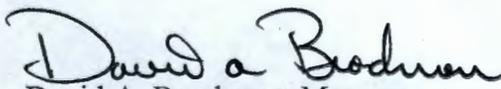
AUG 28 2007

As result of ongoing dialogue with the regulator agencies, public feedback, and consistent with the values and advice of the Board, RL has distinguished groundwater activities for the River Corridor and Central Plateau in an effort to focus on protection of the Columbia River. Ongoing efforts to look at cleanup strategies that emphasize groundwater overall at the Hanford Site continue, including deep vadose zone characterization. We also received numerous comments that funding for safeguarding plutonium and special nuclear material should not come out of EM's budget.

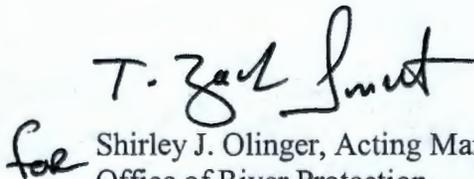
For ORP, the consistent theme from these ongoing discussions is that we should continue focusing the necessary resources on the design and construction of the Waste Treatment Plant (WTP) and full funding at the target level is requested for FY 2009. Although comments and feedback were mixed for the Demonstration Bulk Vitrification Systems (DBVS), you are aware the department must continue to pursue a viable supplemental treatment technology to treat the volume of low-activity waste not treated by WTP, and FY 2009 over-target funding was requested for DBVS. ORP has requested target funding for 1 Single Shell Tank (SST) retrieval in FY 2009 for a total of 11 SSTs retrieved. Feedback received in the budget process indicates a high level of interest from the Board, regulators, public, and others in accelerating the pace of SST retrievals at Hanford.

We continue to appreciate the time and effort of the Board on budget and cleanup priorities and for the collaboration on the development of the FY 2009 budget outreach efforts. We will continue to seek input on cleanup priorities from our regulators, Tribal Governments, stakeholders, and members of the public through August 31, 2007. That input will also be provided to DOE-HQ for further consideration.

In the coming months we will continue to share information with the Budgets and Contracts Committee. If you have any questions, please contact Karen Lutz (RL) at (509) 376-4766 or Erik Olds (ORP) at (509) 372-8656.



David A. Brockman, Manager
Richland Operations Office



for Shirley J. Olinger, Acting Manager
Office of River Protection

OEC:KEL

Enclosures

cc: See page3

Ms. Susan L. Leckband
07-OEC-0060

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AUG 28 2007

cc w/encls:

N. Ceto, EPA

D. Frost, EM-13

J. Hedges, Ecology

J. Manning, Ecology

E. D. Miller, EPA

M. Nielson, EM-30.1

L. Treichel, EM-3.2

Administrative Record

Environmental Portal

The Oregon and Washington

Congressional Delegations

U.S. Senators (OR)

G. H. Smith

R. Wyden

U.S. Senators (WA)

M. Cantwell

P. Murray

U.S. Representatives (WA)

B. Baird

N. Dicks

R. Hastings

J. Inslee

R. Larsen

J. McDermott

C. McMorris

D. Reichert

A. Smith

State Senators (WA)

J. Delvin

M. Hewitt

State Representatives (WA)

L. Haler

S. Hankins

United States Government

Department of Energy
Richland Operations Office**memorandum**

DATE: JUL 13 2007

REPLY TO
ATTN OF: FMD:PJZ/07-FMD-0093

SUBJECT: FISCAL YEAR (FY) 2009 ENVIRONMENTAL MANAGEMENT BUDGET SUBMITTAL
FOR THE U.S. DEPARTMENT OF ENERGY, RICHLAND OPERATIONS OFFICE (RL)

TO: James A. Rispoli, Assistant Secretary
for Environmental Management, EM-1, HQ

Consistent with the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement), we are requesting \$1,430.8M which is required to continue to meet our commitment to clean up the legacy of the Hanford Site. This fulfills a requirement of the Tri-Party Agreement between the U.S. Department of Energy (DOE), the Environmental Protection Agency (EPA) and the State of Washington Department of Ecology (Ecology).

Our planning represents our efforts to align the challenges, both technical and fiscal, with our commitment to make significant cleanup progress at the Hanford Site. In summary, with this target and over target budget request, Richland will:

- Maintain safe and compliant facilities and essential services.
- Cleanup, control and mitigate contamination in proximity to the Columbia River including K East Basin decontamination and decommissioning; initiate sludge treatment; conduct groundwater remediation along the river, and; remediate River Corridor soil and burial grounds in the 100 and 300 Areas.
- Consolidate Plutonium.
- Cleanup, control and mitigate contamination in the Central Plateau.
- Continue transuranic waste retrieval and certification.
- Continue Central Plateau groundwater and waste site characterization, including Remedial Investigation/Feasibility Studies.
- Conduct additional groundwater remediation.
- Continue waste treatment.
- Continue Plutonium Finishing Plant Decontamination and Decommissioning.
- Remediate waste sites in the Central Plateau 200 Areas.

Attachment 1 is a summary of the planned activities for FY 2009, including activities that would be accomplished with over target funding. This information is consistent with our briefings to your staff, the Hanford Advisory Board, regulators, and the public. In these briefings, we have also identified the following Tri-Party Agreement milestones that we anticipate we may miss due to technical reasons, not lack of funding:

JUL 13 2007

- M-34-30, Initiate Sludge Treatment, December 21, 2008.
- M-34-00, Complete Removal of K Basins and their Content, March 31, 2009.
- M-16-58, Initiate Soil Remediation at K West Basin, April 30, 2009.

We have discussed and continue to discuss these technical issues with EPA and Ecology in an effort to determine possible remedies or technical alternatives which would continue to allow us to show the necessary progress in these areas.

As part of Tri-Party Agreement Paragraph 148 and DOE's commitment to seek, collect and consider input in the development of Hanford's budget, we provided budget briefings and information to Ecology, EPA and the Hanford Advisory Board at the onset and throughout the budget development process. In addition, RL and the Office of River Protection (ORP) jointly held five public meetings in the State of Washington and Oregon to discuss the proposed FY 2009 budget request and cleanup priorities. Attachments 2 through 5 include comments received from EPA, Ecology, advice from the Hanford Advisory Board, and comments received to date from the public for RL and ORP. The written comments, public meeting themes, and cleanup exercise results are also available electronically on the Hanford website at www.hanford.gov.

As a result of ongoing dialogue with the regulator agencies and the public, RL has distinguished groundwater activities for the River Corridor and Central Plateau in an effort to focus on protection of the Columbia River. Ongoing efforts to look at cleanup strategies that emphasize groundwater overall at the Site continue, including deep vadose zone characterization. We will continue to seek input on cleanup priorities from our regulators, Tribes, stakeholders and members of the public and others through August 31, 2007. That input will also be provided to DOE Headquarters for consideration in the development of the FY 2009 budget request for Hanford cleanup.

If you have any questions, please contact me, or your staff may contact Greg Jones, Acting Chief Financial Officer, on (509) 373-4183.



Michael J. Weis
Acting Manager

Attachments

cc w/attachs:

M. W. Frei, EM-30
C. F. Rheaume, EM-31
L. C. Treichel, EM-3.2
N. Ceto, EPA
J. Hedges, Ecology

**Richland Operations Office
Planned Activities for Fiscal Year (FY) 2009 Request**

NM Stabilization/Disposition – Plutonium Finishing Plant (PFP) (RL-0011)

Planned Accomplishments within Target

- Continue Decontamination & Decommissioning of Z-9 crib complex.
- Maintain PFP complex facilities.
- Maintain safe and secure storage of Special Nuclear Materials.
- Continue shipment of plutonium off site.
- Perform upgrades to PFP Safety Systems.

Planned Activities at over Target

- Conduct Decontamination & Decommissioning (D&D) of additional PFP facilities to mitigate ramp-up of D&D from FY 2010 to FY 2011.

SNF Stabilization/Disposition (RL-0012)

Planned Accomplishments within Target

- Maintain Safe & Compliant 100K facilities.
- Initiate Sludge Treatment Facility Modifications.
- Complete D&D of K East Basin.
- Complete processing of K Basin found fuel

Solid Waste Stabilization/Disposition (RL-0013C)

Planned Accomplishments within Target

- Operate Key Waste Treatment Facilities
 - T Plant
 - Waste Receiving and Processing Facility
 - 200 Effluent Treatment Facility
- Support work on Tank Closure and Waste Management Environmental Impact Statement

Planned Activities at over Target

- Continue suspect transuranic retrieval (M-91-40F)
- Certify and ship transuranic waste to Waste Isolation Pilot Plant (M-91-42K&L)
- Treat Mixed Low-Level Waste (M-91-42E)
- Treat 300 cubic meters of large and/or Remote Handled Mixed Low-Level Waste (M-91-43C)
- Complete design for Remote Handled Transuranic Waste Processing Capability

Richland Operations Office
Planned Activities for FY 2009 Request (Continued)

Safeguards and Security (RL-0020)

Planned Accomplishments within Target

- Continue support of offsite plutonium shipments from the Plutonium Finishing Plant
- Maintain protection of special nuclear materials
- Maintain site wide security
- Continue Security Configuration Changes at the Canister Storage Building and begin startup reviews

Groundwater Protection (RL-0030)

Planned Accomplishments within Target

- Operate and maintain existing groundwater remediation systems
- Continue groundwater integration activities and environmental data management
- Continue groundwater compliance monitoring
- Drill monitoring wells as prescribed by Tri-Party Agreement M-24-00
- Complete Remedial Design/Remedial Action Work Plan for 200-ZP-1/PW-1,3,6
- Complete four M-15 Tri-Party Agreement Milestones to submit feasibility studies and proposed plans
- Complete Groundwater River Corridor Remedial Investigations Work Plans

Planned Activities at over Target

- Decommission 100 groundwater wells
- Expansion of new Pump and Treatment system and well network at 100-D, 200-ZP-1/2, 200-UP-1
- Conduct 200 Area Deep Vadose Zone Treatability Test
- Conduct Groundwater & Waste Site Remedial Investigations/Feasibility Study for the Central Plateau to support completion of TPA Milestone series M-15-00

Nuclear Facility D&D – Remainder of Hanford (RL-0040)

Planned Accomplishments within Target

- Maintain Surveillance and Maintenance for waste sites and facilities awaiting final disposition.
- Support minimum safe operations for the Radiological Processing Laboratory (RPL)
- Perform essential infrastructure replacements and upgrades

Planned Activities at over Target

- Continue Central Plateau soil remediation for U Area and BC Cribs waste sites
- Support U Plant Canyon remediation pilot project
- Continue regulatory decision process for four canyon facilities
- Complete additional infrastructure replacements and upgrades
- Complete RPL legacy waste removal

Richland Operations Office
Planned Activities for FY 2009 Request (Continued)

Nuclear Facility D&D – River Corridor Closure Project (RL-0041)

Planned Accomplishments within Target

- Continue Interim Safe Storage at N Reactor (6 of 9)
- Continue 100 and 300 Area waste site and burial ground remediation
- Continue 100 Area decommissioning/demolition of facilities
- Complete the interim remedial actions for the 100 F Area (M-16-49)
- Initiate response actions for the remaining waste sites for the 100K Area (M-16-52)
- Complete interim remedial actions for the remaining high environmental priority 300-FF-2 waste sites (618-2, 618-3, 618-5 and 618-7) (M-16-61)

Nuclear Facility D&D – Fast Flux Test Facility (RL-0042)

Planned Accomplishments within Target

- Complete shutdown of support systems no longer required for long term Surveillance and Maintenance
- Initiate long term Surveillance and Maintenance of Fast Flux Test Facility Complex

Community and Regulatory Support (RL-0100)

Planned Accomplishments within Target

- Provide funding for the Natural Resource Trustee Council operations
- Continue grants to Emergency Preparedness, Self Reliance Foundation, Ecology, Department of Health, and Oregon Department of Energy
- Continue funding Payment-in-Lieu of Taxes
- Support to permits and fees including Resource Conservation and Recovery Act Mixed Waste and Air Emissions
- Support to Hanford Advisory Board

Planned Activities at over Target

- Conduct a phased Natural Resource Damage Assessment (NRDA) process at the Hanford Site in accordance with the April 3, 2007 Federal Trustees' Preassessment Determination for Hanford including:
 - identifying gaps in existing Hanford natural resource and environmental monitoring data that may be needed for the injury assessment process
 - designing additional studies if necessary
 - developing a conceptual site model showing where contamination exists
 - drafting an assessment plan for potentially affected natural resources

United States Government

Department of Energy
Office of River Protection**memorandum**

DATE: JUL 30 2007
REPLY TO
ATTN OF: OPA:LAC 07-OPA-032

SUBJECT: FISCAL YEAR (FY) 2009 ENVIRONMENTAL MANAGEMENT BUDGET
SUBMITTAL FOR THE U.S. DEPARTMENT OF ENERGY (DOE), OFFICE OF
RIVER PROTECTION (ORP)

TO: James A. Rispoli, Assistant Secretary
for Environmental Management, EM-1, HQ

ORP is requesting \$1,081 million in funding for FY 2009 consistent with our validated and Secretarial Acquisition Executive approved baselines. This budget request is not consistent with the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) upcoming milestone dates due to: 1) delays in the construction, commissioning, and operation of the Waste Treatment and Immobilization Plant (WTP) project; 2) Tank Farm scope deferrals; and 3) unforeseen technical issues with Single-Shell Tank (SST) retrievals. Negotiations between DOE, the Environmental Protection Agency (EPA), and the Washington State Department of Ecology (Ecology) regarding these matters are ongoing.

ORP's planning represents our best efforts to align these technical challenges with our commitment to make significant cleanup progress at the Hanford Site. Our top priorities include:

- Safely storing 53 million gallons of tank waste;
- Resuming full WTP Construction;
- Managing the Tank Farms and WTP as an integrated system;
- Continuing tank waste retrieval;
- Continuing soil characterization;
- Pursuing supplemental low-activity waste treatment capabilities;
- Completing the Tank Closure and Waste Management Environmental Impact Statement (EIS); and
- Continuing open and honest dialog with stakeholders and the public.

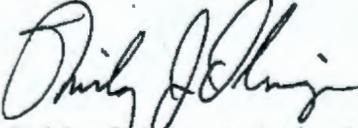
Attached is a summary of the planned activities for FY 2009, including those activities that would be accomplished with over target funding. This information is consistent with our briefings to your staff, the Hanford Advisory Board (HAB), regulators, and the public.

JUL 30 2007

In accordance with Tri-Party Agreement, Paragraph 148, and DOE's commitment to seek, collect, and consider input in the development of the budget request, we provided budget briefings and information to Ecology, EPA, and the HAB at the outset and throughout the budget development process. In addition, the DOE Richland Operations Office (RL) and ORP jointly held five public meetings in both Oregon and Washington States to discuss the proposed FY 2009 budget request and cleanup priorities. Regulator comments, HAB advice, and comments received to date from the public were transmitted to you by RL on July 13, 2007, via letter 07-FMD-0093. All are available electronically on the Hanford website at www.hanford.gov.

The consistent theme from ongoing discussions with the regulatory agencies, HAB, and the feedback from the public meetings is that DOE should continue focusing the necessary resources on the design and construction of the WTP and full funding at the target level is requested for FY 2009. Although comments and feedback were mixed for the Demonstration Bulk Vitrification System (DBVS), you are aware DOE must continue to pursue a viable supplemental treatment technology to treat the volume of low-activity waste not treated by the WTP, and FY 2009 over-target funding was requested for DBVS. ORP has requested target funding for 1 SST retrieval in FY 2009 for a total of 11 SSTs retrieved. Feedback received in the budget process indicates a high level of interest from the public, regulators, HAB, and others in accelerating the pace of SST retrievals at Hanford.

If you have any questions, please contact me, or your staff may contact Lisa A. Copeland, Director of Project Administration, (509) 376-8515.



Shirley J. Olinger, Acting Manager
Office of River Protection

Attachment

cc w/attach:

J. A. Hedges, Ecology
L. C. Treichel, EM-3.2
M. W. Frei, EM-30
C. F. Rheame, EM-31
N. Ceto, EPA

U.S. Department of Energy, Office of River Protection (ORP)
Planned Activities for Fiscal Year (FY) 2009 Request

Tank Farms PBS ORP-0014

Planned Accomplishments at Target Level Funding:

- Complete 3 Double-Shell Tank (DST) core samples and analysis to support tank integrity
- Replace evaporator heating, ventilation, and air conditioning exhaust side to protect against confinement loss
- Complete 1 additional C-Farm tank retrieval (for a total of 9 of 16 in C-Farm)
- Retrieve waste from 11 Single-Shell Tanks through FY 2009
- Perform 3 DST and 2 Cross-site Transfers
- Complete 2 Evaporator campaigns for space management
- Complete AP Tank Farm Level Rise for DST space management
- Conduct pre-treatment developmental testing to support future supplemental treatment activities (Ion-Exchange)

Planned Accomplishments at Over-Target Level Funding:

- Resume Demonstration Bulk Vitrification System (DBVS) construction and long-lead procurements
- Initiate S-109 Retrieval construction to support DBVS
- Replace DST Sampling Truck (1980s vintage)
- Initiate Supplemental Pretreatment Conceptual Design
- Complete upgrades to AZ-102 in support of C-Farm retrievals tank blending
- Initiate Tank C-200 Closure Demonstration

WTP PBS ORP-0060

Planned Accomplishments at Target Level Funding:

Low-Activity Waste Facility

- Design complete, construction will be approximately 72% complete
- Install piping, cable, cable trays, conduit, instrumentation and control wiring, and ventilation ducting
- Install melter pour cave cooling panels, glass former mixers, and catalytic oxidizers
- Start assembling the two melters

Analytical Laboratory Facility

- Design complete, construction will be approximately 75% complete
- Install ventilation duct, process and handling system, cable, cable tray, and piping
- Install major electrical equipment
- Complete fabrication of the Autosampling System and deliver to site

Balance of Facilities

- Design complete, construction of the Anhydrous Ammonia Tank, Cooling Tower, Fuel Oil Pump House, and Steam Plant
- Install the commodity racks, piping, and electrical systems
- Erect the Glass Former Storage Facility structural steel

High-Level Waste Facility

- Design approximately 90% complete and construction approximately 39% complete
- Complete design for the main facility concrete and structural steel
- Complete placements of slabs and walls of the 3rd level
- Install the Melter shield doors and rails

Pretreatment Facility

- Design approximately 83% complete and construction approximately 43% complete
- Issue design for the top level (El. 98) concrete slabs and Control Building
- Construct concrete walls above the 3rd level
- Install Hot Cell cranes and vertical/horizontal shield doors
- Install remaining Elevation 0 Vessels

Planned Accomplishments at Over-Target Level Funding: None, project funded at target.