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Department of Energy
 Richland Operations Office
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OCT 24 1997

97-MSD-289

Mr. Chuck Clarke
 Regional Administrator
 U.S. Environmental Protection Agency
 Region 10
 1200 Sixth Avenue
 Seattle, Washington 98101

Mr. Tom Fitzsimmons, Director
 State of Washington
 Department of Ecology
 P.O. Box 47600
 Olympia, Washington 98504

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Dear Messrs. Clark and Fitzsimmons:

HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT)
 MILESTONE M-41-00, "COMPLETE SINGLE SHELL TANK INTERIM STABILIZATION"

- References:
1. RL letter from G. Sanders to M. Wilson, Ecology, "Hanford Federal Facility Agreement and Consent Order Change Control Form M-41-97-01, Interim Milestone M-41-22, 'Start Interim Stabilization of 6 Single Shell Tanks'." 97-CAP-530, dated June 27, 1997.
 2. RL letter from G. Sanders to M. Wilson, Ecology, "Invocation of Dispute Resolution for Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) Change Control Form M-41-97-01, Interim Milestone M-41-22, 'Start Interim Stabilization of 6 Single Shell Tanks'." 97-MSD-258, dated July, 16, 1997.
 3. Extension to Dispute Resolution for Tri-Party Agreement Change Request M-41-97-01, dated September 23, 1997.

On June 27, 1997, the U.S. Department of Energy, Richland Operations Office (RL) transmitted Tri-Party Agreement Change Control Form M-41-97-01 to the State of Washington Department of Ecology (Ecology) (Reference 1). The change control form requested a six-month delay in the due date for Milestone M-41-22, "Start Interim Stabilization of 6 Single Shell Tanks."

The change request was subsequently disapproved by Ecology's failure to respond within fourteen (14) days of RL transmitting the change control form. On July 16, 1997, RL notified Ecology that it was invoking the dispute resolution provisions of the Tri-Party Agreement (Reference 2). The dispute has subsequently been elevated to the Inter Agency Management Integration Team (IAMIT) for resolution and has been extended at that level through October 28, 1997 (Reference 3).

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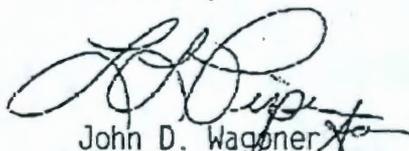
During this dispute resolution on Tri-Party Agreement Milestone M-41-22, RL has re-evaluated the status of completing Tri-Party Agreement Major Milestone M-41-00, "Complete Single Shell Tank Interim Stabilization" due September 2000." This evaluation indicated that the flammable gas issue associated with all 177 tanks and the Fiscal Year (FY) 1998 reduction in budget and scope for interim stabilization will cause a delay in the completion of the Tri-Party Agreement Major Milestone M-41-00. In addition, RL will be evaluating the process of how to reduce interim stabilization (saltwell pumping) costs. The present best cost estimate for saltwell pumping a tank is approximately \$2.5 million. However, substantial effort is being made to achieve a pumping process that will provide an interim stabilized flammable gas tank for less than \$1.0 million. The FY 1998 plan to achieve this cost reduction goal includes four major components:

- Perform cost efficiency studies on the saltwell pumping activities being performed in FY 1998. Specifically, the start of Tanks SX-104, BY-106, and AX-101 will be evaluated.
- Utilize field data as a major input into the re-engineering of the saltwell pumping process.
- Provide the contractor with a financial incentive to complete an effective re-engineering effort.
- Evaluate the presently defined safety envelope for saltwell pumping of flammable gas tanks and determine if older flammable gas data caused the envelope to be too conservative in response to the potential hazard.

With respect to the above information, RL proposes that the scope of the discussions on Change Control Form M-41-97-01 dispute be expanded to include the remainder of Tri Party Agreement Major Milestone M-41-00. RL believes that a partnering effort similar to that of the Tri-Party Agreement Major Milestone M-44-00, Tank Characterization Program negotiations, would be appropriate in resolving the issues identified on this major milestone.

We look forward to working with you and your staff on this issue. If you have any questions regarding this letter, please contact Carolyn Haass, Management Systems Division, on (509) 372-2731 or George Sanders, Environmental Assurance, Permits, and Policy Division, on (509) 376-6888.

Sincerely,


John D. Wagoner
Manager

MSD:CCH