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

02-RCA-0195

FEB 22 2002

Michael A. Wilson, Program Manager
Nuclear Waste Program
State of Washington
Department of Ecology
P.O. Box 47600
Olympia, Washington 98504

RECEIVED
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EDMC

Dear Mr. Wilson:

NOTIFICATION THAT HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) INTERIM MILESTONE M-91-12-A, "COMPLETE THERMAL TREATMENT OF AT LEAST 240 CUBIC METERS OF CONTACT HANDLED LOW-LEVEL MIXED WASTE BY DECEMBER 31, 2002" WILL NOT BE MET AS SCHEDULED

This provides notification that the U.S. Department of Energy, Richland Operations Office (RL) has determined that Tri-Party Agreement Interim Milestone M-91-12A will not be met as scheduled. This interim milestone requires that at least 240 cubic meters of contact handled low-level mixed waste be thermally treated and disposed by December 31, 2002.

Fluor Hanford, Inc., (FHI) has contracted with Allied Technology Group (ATG) to provide thermal treatment of contact handled low-level mixed waste. On December 4, 2001, ATG filed for Chapter XI bankruptcy protection. This financial situation has impacted the startup and trouble-shooting activities of the newly constructed thermal treatment process. On February 11, 2002, FHI notified RL that M-91-12A would not be met due to the ongoing bankruptcy proceedings. These uncertainties weigh heavily in our evaluation that M-91-12A will not be met by December 31, 2002, as scheduled.

It should be noted that RL and FHI are evaluating other treatment options; e.g., other commercial treatment vendors that meet disposal regulations. At this time, however, no other viable commercial vendors can be found to meet treatment requirements. We are still pursuing treatment options. Should you have any questions regarding this transmittal, please call Ellen B. Dagan of my staff on (509) 376-3811.

Sincerely,

Joel Hebdon, Director
Regulatory, Analysis and Compliance Division

RCA:EBD

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