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News Release

DEPARTMENT OF ENERGY AND FLUOR HANFORD RECORD BANNER YEAR IN CLEANUP ACTIVITIES AT HANFORD

RICHLAND, Wash. – Dec. 29, 2004 – The Department of Energy, Richland Operations Office, and contractor Fluor Hanford eliminated two urgent risks in 2004 and made significant progress in closing and demolishing facilities at the Hanford Site in southeastern Washington state.

In February 2004, Fluor Hanford addressed the first urgent risk as crews completed a four-year project to stabilize and package nearly 20 tons of plutonium materials at the Plutonium Finishing Plant. The plant, consisting of more than 60 buildings, produced 60% of the nation's supply of plutonium metal for nuclear weapons and was once considered one of the top five hazardous facilities in the DOE complex. In the past year, crews have demolished nine of the plant's buildings and cleaned out seven of the plant's more than 200 glove boxes.

In May, Fluor Hanford completed the first demolition of a plutonium processing facility at Hanford—the 233-S Plutonium Concentration Facility. The eight-month demolition was also the first open-air demolition of a highly contaminated processing facility in the DOE complex. The demolition was completed safely. With more than 4,000 employee entries into the worksite, there were no incidents of a skin contamination or a recordable injury.

In one of the most important risk reduction activities to date, Fluor Hanford addressed a second urgent risk at Hanford in October, when crews completed a four-year effort to remove 2,300 tons of irradiated, or "spent," nuclear fuel from two water-filled basins near the Columbia River. Hanford's spent nuclear fuel makes up about 80 percent of the Department of Energy's nationwide spent fuel inventory

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and is one of the largest sources of radioactivity on the Hanford Site. Fluor Hanford also started operations to retrieve approximately 65 cubic yards of radioactive sludge from the facilities—called the K Basins. In August, crews started removing water from the K East Basin, as cement was poured into the discharge chute—the connection between the basin and the K East reactor.

“What makes the past year more memorable is that even as Fluor Hanford and the Department of Energy have completed these multi-year, high-risk activities and moved into some heavy deactivation and decommissioning work—our employees’ safety performance has steadily improved,” said George Jackson, Fluor Hanford executive vice president and chief operating officer.

As the attached chart shows, Fluor Hanford employees had their safest year since the company began doing cleanup work at Hanford in 1996. In addition, six of the eight Voluntary Protection Program Stars at Hanford are at Fluor projects. Acceptance into the Department of Energy program is official recognition of exemplary occupational safety and health. Star status is conferred on projects with injury and illness rates 50 to 75 percent better than the industry standard.

Other cleanup progress in 2004 included the start of operations to retrieve 75,000 drums of radioactive waste. Fluor Hanford crews retrieved the first 6,000 drums in September 2004, beating a regulatory commitment to retrieve that many drums by the end of December 2004. At the end of 2004, a total of more than 8,700 drums had been retrieved. In 2004, Fluor Hanford completed 66 shipments of transuranic waste to the Waste Isolation Pilot Plant in New Mexico, bringing the total number of shipments completed to 127—including more than 3,900 drums of waste—since shipments began in 2000.

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A prime contractor to the Department of Energy since 1996, Fluor Hanford has approximately 4,000 employees and manages several major activities at the Hanford Site, including dismantling former nuclear processing facilities, cleaning up the site’s contaminated groundwater, retrieving and processing transuranic waste for off-site shipment, maintaining the site’s infrastructure, and operating the Volpentest HAMMER Training & Education Center.

Fluor Hanford is a subsidiary of Fluor Corporation, which provides services on a global basis in the fields of engineering, procurement, construction, operations, maintenance and project management. Headquartered in Aliso Viejo, Calif., Fluor is a FORTUNE 500 company with revenues of nearly \$9 billion in 2003. For more information, visit www.fluor.com.

Note: In the chart below, DAFW=Days away from work; FY=Fiscal year (Oct. 1-Sept. 30)

