



Section A

Executive Summary

INTRODUCTION

This section of the report is intended to provide Management with an executive-level summary of the most noteworthy performance information to date. All cost, schedule, milestone commitments, performance measures, and safety data is current as of May 31, 2001. Accomplishments, Issues and Integration items are current as of June 27, 2001 unless otherwise noted.

The section begins with a description of notable accomplishments that have occurred since the last monthly report and are considered to have made the greatest contribution toward safe, timely, and cost-effective clean up. Following the accomplishment section is an overall fiscal year-to-date summary analysis addressing cost, schedule, funds management and milestone performance. Overviews of safety ensue. The next segment of the Executive Summary, entitled Breakthroughs and Opportunities for Improvement represents potential significant improvements over the established baseline. The Critical Issues section is designed to identify the high-level challenges to achieving cleanup progress.

The next section includes FY 2001 EM Management Commitment Milestones and Critical Few Performance Incentives.

The Key Integration Activities section follows next, highlighting PHMC activities that cross contractor boundaries and demonstrate the shared value of partnering with other Site entities to accomplish the work. Concluding the Executive Summary, a forward-looking synopsis of Upcoming Planned Key Events is provided.

Note: Milestones tracked and reported in this report consist of two Department of Energy levels. In descending order these levels are 1) Department of Energy-Headquarters (HQ), and 2) Richland Operations (RL). Because it is also useful to distinguish milestones based on specific drivers, the Site applies a designation for those milestones created or tracked to meet the requirements of Enforceable Agreements (EAs). When a milestone satisfies both an EA requirement and a milestone level, it is categorized as both. However, in order to avoid duplicate reporting, this report accounts for each milestone only once. Where an overlap exists between EA and a level (i.e., HQ or RL), the milestone is reported as EA. Additionally, Tri-Party Agreement (TPA) Major and Interim milestones are EA milestones. TPA milestones that are not enforceable are called Target milestones and are included in the TPA/EA milestone tables found in the applicable Project Sections.

NOTABLE ACCOMPLISHMENTS

Readiness to Receive Spent Nuclear Fuel (SNF) K Basin Sludge Accelerated - All ten deck sections have been cleared at T Plant.

Mixed Low Level Waste (MLLW) Treatment/Disposal Progressing — Through May 2001, 570 cubic meters (m³) of MLLW were shipped to ATG, versus the planned 620 m³ for FY 2001. Currently, shipments are on hold due to limitations with ATG storage capacity.

Hanford Ash Shipments Continue - The second shipment of Hanford ash was received on June 12, 2001. Ash processing has been temporarily halted until July when Plutonium/ Aluminum (Pu/Al) alloy processing is complete. The Safety Analysis Report for Packaging (SARP) revision for alloys was approved on June 15, 2001 to support the scheduled shipment in mid-July.

Stabilization of Nuclear Material — Sixty-one metal items were brushed and canned into a Bagless Transfer Container (BTC) during the month of May 2001. As of June 21, 2001 a total 316 items have been processed this fiscal year. Processing of all alloys identified for packaging as metal into the Bagless Transfer System (BTS) began June 12, 2001, and is now complete. Additionally, a total of 56 liters of solutions were

processed through the magnesium hydroxide [Mg(OH)₂] process during the month of May. Approval by RL of the Facility Safety Analysis Report (FSAR) revision on May 24, 2001 contributed to the startup operation of the second, two-boat hot plate on June 19, 2001. There have been 32 liters processed as of June 21, 2001, bringing the Fiscal Year To Date (FYTD) total to 548 liters.

B Cell Cleanout Continues — Seventeen out of a total of twenty-one 3-82B Grout Containers have been loaded out and shipped. In addition, the spent nuclear fuel transfer design/fabrication contract was awarded.

Accelerated Deactivation Project Efforts Continue — The sixth of nine shipments of contaminated fuel to the Low-Level Burial Ground (LLBG) was completed and the first of two water towers scheduled for demolition is now on the ground.

Fuel Movement Activities Continue — Fourteen Multi-Canister Overpacks (MCOs) (292 canisters – 4088 fuel assemblies) have been removed from K West (KW) Basin for a total of 65.90 Metric Tons of Heavy Metal (MTHM) shipped. The fourteenth MCO was shipped to the Cold Vacuum Drying (CVD) Facility from K West Basin on June 22, 2001 and is currently being processed at the CVD Facility.

PERFORMANCE DATA AND ANALYSIS

The following provides a brief synopsis of overall PHMC Environmental Management (EM) cost, schedule, and milestone performance.

FY 2001 Schedule and Cost Performance

Schedule Performance — There is a FY 2001 year-to-date 4.4 percent (\$15.9 million) unfavorable schedule variance that is within the established 10 percent threshold. River Corridor, Advanced Reactors Transition, and Landlord projects are outside the threshold. Detailed variance analysis explanations can be found in the Project Sections.

Cost Performance — FY 2001 year-to-date cost performance reflects a 0.2 percent (\$0.6 million) favorable cost variance that is within the established 10 percent threshold. Projects outside the threshold are Advanced Reactors Transition, Landlord, Mission Support, and National Programs. Detailed variance analysis explanations can be found in the Project Sections.

Estimate at Completion (EAC) — Because the EACs portrayed on the following table are updated estimates for authorized work, they may differ from the Performance Execution Module (PEM) column. Additionally, approved changes to the baseline are reflected in EACs but may not yet be included in the PEM database due to timing issues.

BASELINE PERFORMANCE STATUS

FY 2001 COST / SCHEDULE PERFORMANCE – ALL FUND TYPES

CUMULATIVE TO DATE STATUS (\$M)

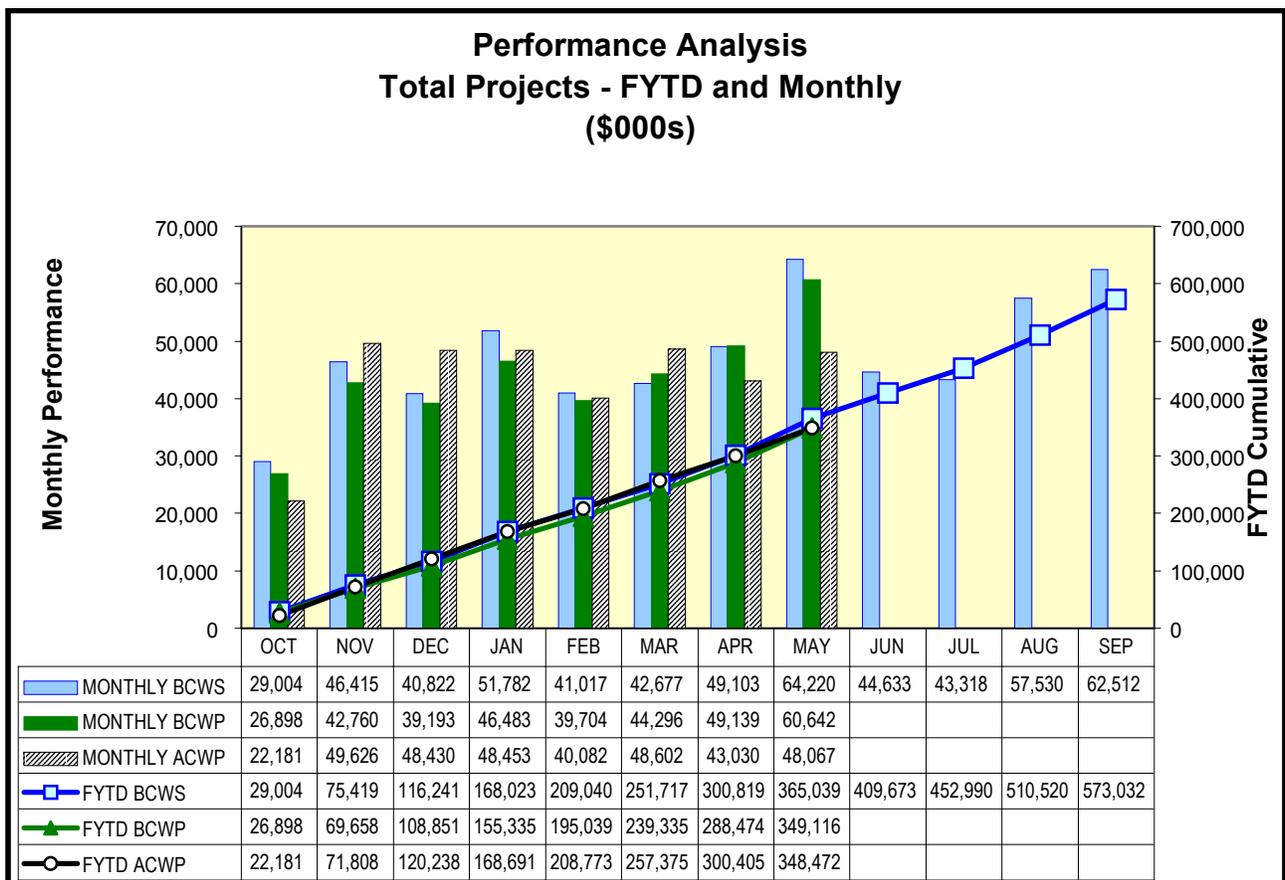
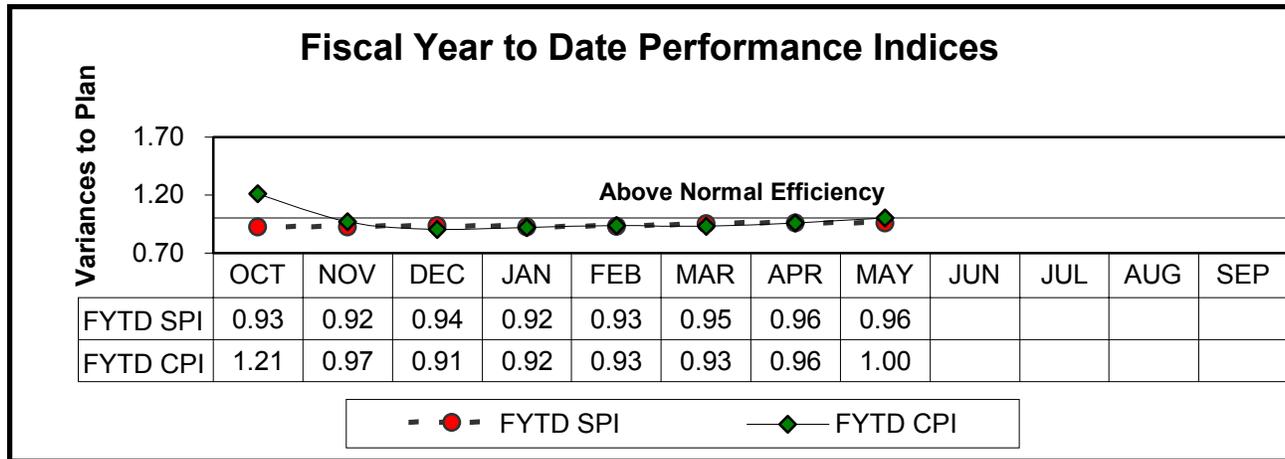
DATA THROUGH MAY 2001

	Current Fiscal Year Performance (\$ x Million)					PEM	EAC	
	FYTD			Schedule Variance	Cost Variance			
	BCWS	BCWP	ACWP					
The Plateau								
1.2	Waste Management TP02,WM03-05	68.7	68.6	67.4	(0.1)	1.1	105.7	102.5
1.2.4	Analytical Svcs (222-S,HASP,WSCF) WM06	20.9	20.6	19.8	(0.3)	0.7	31.7	31.4
1.4.5	Nuclear Materials Stabilization TP05	72.3	68.4	71.3	(3.9)	(2.9)	110.6	112.2
	Subtotal The Plateau	161.9	157.6	158.6	(4.3)	(1.0)	248.0	246.1
The River								
1.4	River Corridor TP01,TP04,TP08,TP10,TP12,TP14	34.4	30.7	29.0	(3.7)	1.7	51.8	50.6
1.3	Spent Nuclear Fuel WM01	114.8	110.9	110.6	(3.9)	0.3	188.0	185.4
1.12	Advanced Reactors (EM)	1.2	1.0	2.5	(0.2)	(1.5)	1.9	1.9
	Technology Development (EM-50)	15.9	14.7	14.2	(1.2)	0.5	24.4	21.5
	Subtotal The River	166.2	157.3	156.2	(8.9)	1.1	266.1	259.4
The Future								
1.9	HAMMER HM01	3.9	3.8	3.5	(0.1)	0.3	6.3	6.3
	Subtotal The Future	3.9	3.8	3.5	(0.1)	0.3	6.3	6.3
Multiple Outcomes								
1.5	Landlord TP13	14.2	12.4	11.1	(1.8)	1.3	23.2	23.5
1.8	Mission Support OT01	15.7	15.0	16.5	(0.8)	(1.6)	24.0	28.3
1.11 & WM07	National Programs OT02, WM07	3.1	3.1	2.6	(0.0)	0.5	5.4	5.0
	Subtotal Multiple Outcomes	33.0	30.4	30.2	(2.5)	0.2	52.5	56.8
	Total PHMC Projects	365.0	349.1	348.5	(15.9)	0.6	573.0	568.6

Notes: Column headings [Budgeted Cost of Work Scheduled (BCWS), Budgeted Cost of Work Performed (BCWP), etc.] are defined in the glossary at the end of the report. Calculations are based on Project Baseline Summary detail. Waste Management, Analytical Services, River Corridor, and Nuclear Materials Stabilization have included RL-Directed costs (e.g. steam and laundry) in the Project Execution Module (PEM) BCWS. Technology Development does not include ORP/RPP TTPs currently reported in the RL Dataset in PEM.

The following charts provide an overall graphical view of cost and schedule performance.

FY 2001 SCHEDULE / COST PERFORMANCE



FUNDS MANAGEMENT

FUNDS VS. SPENDING FORECAST (\$000)

(FLUOR HANFORD, INC. ONLY)

This chart reflects FH Project structure, which divides PBS WM05 between projects. This breakout is necessary to provide FH project managers with information specific to their areas of responsibility and accountability and to facilitate effective management of the funds within their control (obligated to the PHMC). Consequently, these figures will differ from those shown elsewhere in this report (as generated in the PEM system).

For purposes of funds management, the "Other" category includes all funding sources not suitable for redistribution within the Project Completion and Post 2006 control points.

Data Through May 2001

	Project Completion Control Point			Post 2006 Control Point			Line Items and Other		
	Funds	FYSF	Variance	Funds	FYSF	Variance	Funds	FYSF	Variance
The Plateau									
1.2 Waste Management				98,580	95,976	2,604			
TP02,WM03-05									
1.2.4 Analytical Svcs (222-S,HASP,WSCF)				30,766	30,396	370			
WM06									
1.4.5 Nuclear Materials Stabilization	90,957	92,784	(1,827)				12,140	12,066	74
TP05 Line Item									
Subtotal The Plateau Operating	\$ 90,957	\$ 92,784	\$ (1,827)	\$ 129,346	\$ 126,372	\$ 2,974			
Subtotal The Plateau Line Item							\$ 12,140	\$ 12,066	74
The River									
1.4 River Corridor	49,066	47,401	1,665	5,637	5,351	286			
TP01,TP04,TP08,TP10,TP12,TP14,WM05									
Line Item									
1.3 Spent Nuclear Fuel	186,462	179,022	7,440						
WM01 Line Item									
1.12 Advanced Reactors (EM)				3,483	3,356	127			
Subtotal The River Operating	\$ 235,528	\$ 226,423	\$ 9,105	\$ 9,120	\$ 8,707	\$ 413			
Subtotal The River Line Item									
The Future									
1.9 HAMMER				6,284	6,082	202			
HM01									
Subtotal The Future				\$ 6,284	\$ 6,082	202			
Multiple Outcomes									
1.5 Landlord				22,437	21,274	1,163			
TP13									
1.8 Mission Support				15,780	16,207	(427)			
OT01									
Subtotal Multiple Outcomes Operating				\$ 38,217	\$ 37,481	\$ 736			
Subtotal Multiple Outcomes Line Item									
Total PHMC Proj Operating	\$ 326,485	\$ 319,207	\$ 7,278	\$ 182,967	\$ 178,642	\$ 4,325			
Total PHMC Line Items/Other							\$ 12,140	\$ 12,066	74

Note: "Funds" is expected funds.

MILESTONE PERFORMANCE

Milestones represent significant events in project execution. They are established to provide a higher level of visibility to critical deliverables and to provide specific status about the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the PHMC EM cleanup mission.

FYTD milestone performance (Enforceable Agreement [EA], U.S. Department of Energy- Headquarters [DOE-HQ], and RL) shows that 30 milestones were completed on or ahead of schedule, six milestones were completed late, and five milestones are overdue. The five overdue milestones are associated with five projects: Waste Management (Section B: 1), Nuclear Material Stabilization (Section C: 1), River Corridor (Section C: 2), Spent Nuclear Fuel (Section D) and Science and Technology Activities (Section F).

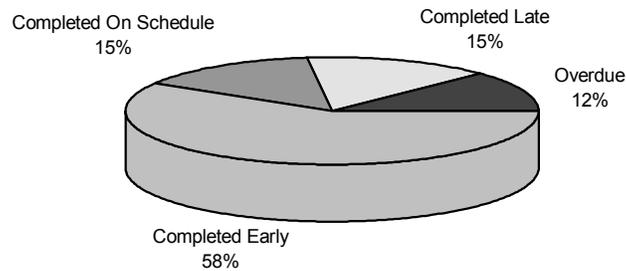
In addition to the FY2001 milestones described above, there is one overdue milestone [Waste Management (Section B: 1)] from FY1999. Further details regarding this milestone may be found in the referenced Project Section.

FY 2001 information is depicted graphically on the following page. For additional details related to the data and prior year milestones, refer to the relevant project section titled "Milestone Exception Report." FY 2001 information reflects the Phase 1 MultiYear Work Plans (MYWPs). Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

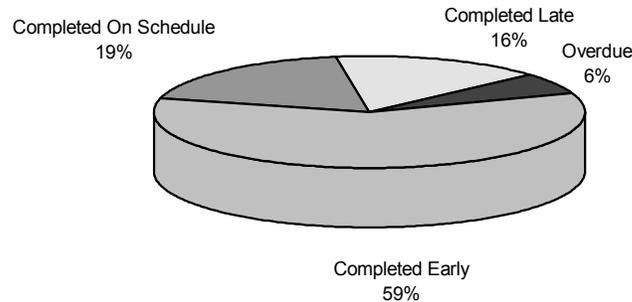
TOTAL ALL HANFORD PROJECTS MILESTONE ACHIEVEMENT

M I L E S T O N E T Y P E	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			T O T A L F Y 2 0 0 1
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	5	0	1	2	0	4	0	12
DOE-HQ	0	0	0	1	0	2	1	4
RL	19	6	5	2	1	39	0	72
Total Project	24	6	6	5	1	45	1	88

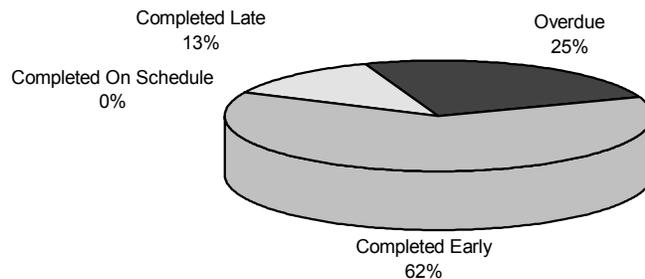
Total Project (FYTD)



RL

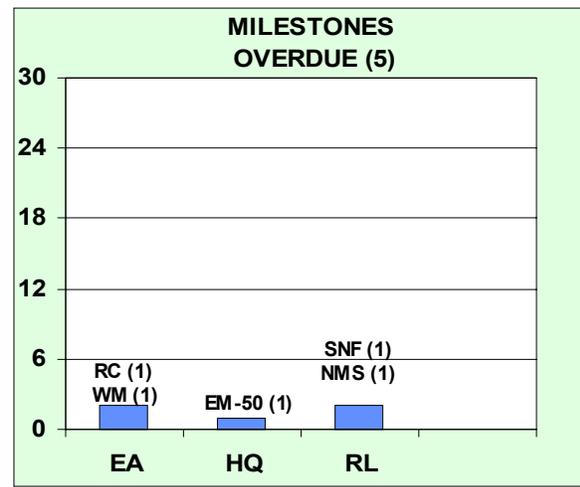
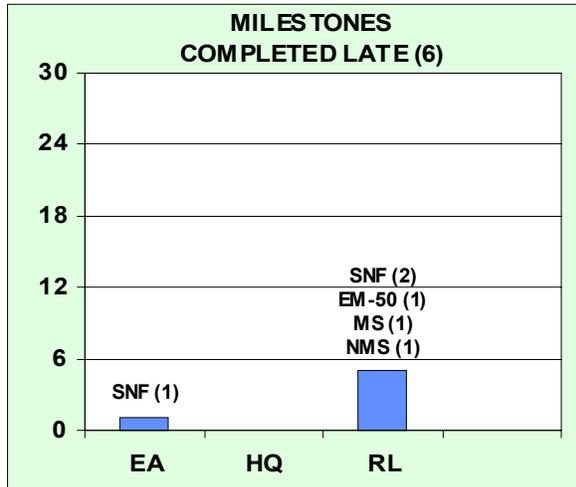


Enforceable Agreement

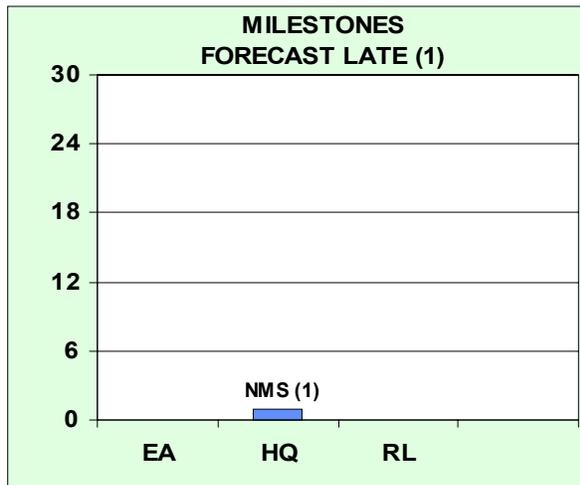


MILESTONE EXCEPTIONS

FISCAL YEAR TO DATE



REMAINING SCHEDULED



These charts provide detail by project and milestone level / type for milestones

- Completed Late
- Overdue
- Forecast Late
- Detailed information can be found in the individual project sections

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in these rates are due to the efforts of the PHMC workforce as they implement the Integrated ES&H Management System (ISMS), work towards achieving Voluntary Protection Program (VPP) "star" status, and accomplish work through Enhanced Work Planning (EWP). Safety and health statistical data is presented in this section.

Significant Safety and Health Events

Lost or Restricted Workday Case Rate: This rate has had a long term decreasing trend over the past three fiscal years, and is currently stabilizing at 0.40 cases per 200,000 hours, less than 50 percent of the CY 2000 Department of Energy comparison rate.

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: The FH OSHA Recordable Case Rate remains stable at 1.5 cases per 200,000 hours; and all FH Team project OSHA Recordable Case Rates are within control limits. Ergonomic related injuries, lacerations and puncture wounds account for the majority of employee injuries, and the FH projects are working on initiatives to reduce these injuries.

Lost Away Workday Case Rate: No new cases have occurred since February 27, 2001. The Lost Away Workday Case Rate for fiscal year 2001-to-date is 0.03 cases per 200,000 hours. The current Safe Work Hour Count is 2,708,419.

U.S. Department of Energy (DOE) Safety Cost Index: This indicator has been rebaselined to 3.1 cents per hour for the period August 2000 through March 2001 due to the significant decrease noted in recent months.

The **Waste Management Project (WMP)** has surpassed 2.4 million work hours without a lost away workday. Waste Management is stable at an OSHA recordable case rate of 1.8 cases per 200,000 hours for more than a year. This rate is twice that of the FH Team goal of 0.9 and is in need of improvement. The WMP is addressing the injury reduction issue in its Employee Zero Accident Councils. There has been a significant decrease in the DOE Safety Cost Index, with seven months below average.

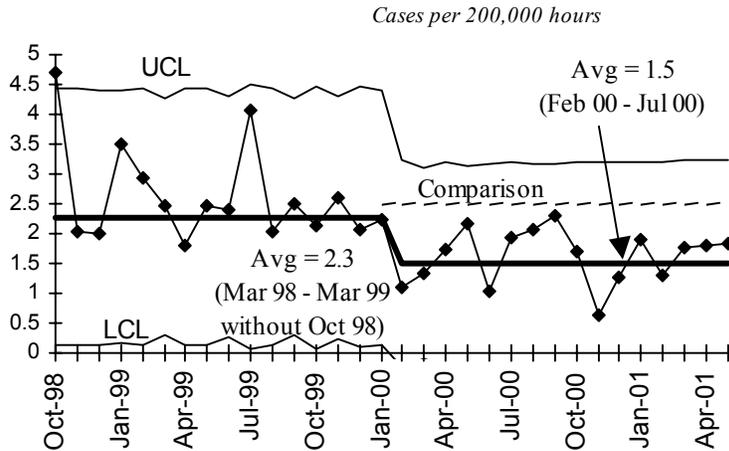
The **Nuclear Material Stabilization Project** should reach 2 million safe work hours at the end of July or early August. There has been a significant increase in the OSHA Recordable Case Rate. A new baseline rate was established at 2.4 cases per 200,000 hour, which is considerably above the Fluor Hanford goal of 0.9.

The **River Corridor Project (RCP)** has exceeded 1.7 million hours since the last lost away workday case. The OSHA Recordable Case Rate is high relative to the company goal, and is in need of improvement. There had been an excellent record of zero OSHA recordable cases from June 1999 to May 2000, but the OSHA Recordable Case Rate has returned to a rate greater than 2.0 since that time. The DOE Safety Cost Index is stable at 3.7 cents per hour. RCP has implemented an ergonomic injury reduction plan to address this increase in recordable injuries. RCP has also completed a draft VPP Application with plans on submitting to RL in early July.

The **Spent Nuclear Fuels Project** should reach 3 million safe work hours at the end of June 2001. The OSHA Recordable Case Rate has met the Corporate Goal of 1.0. Due to a statistically significant reduction over the past eight months, the chart has been rebaselined to an average rate of 1.0 cases per 200,000 hours worked.

Due to space constraints, FY 1996 through FY 1998 data is not portrayed on the following graphs.

Total OSHA Recordable Case Rate



FY 2000 = 1.9
FY 2001 to date = 1.5
Contractor Comparison
Average = 2.5 (CY00)

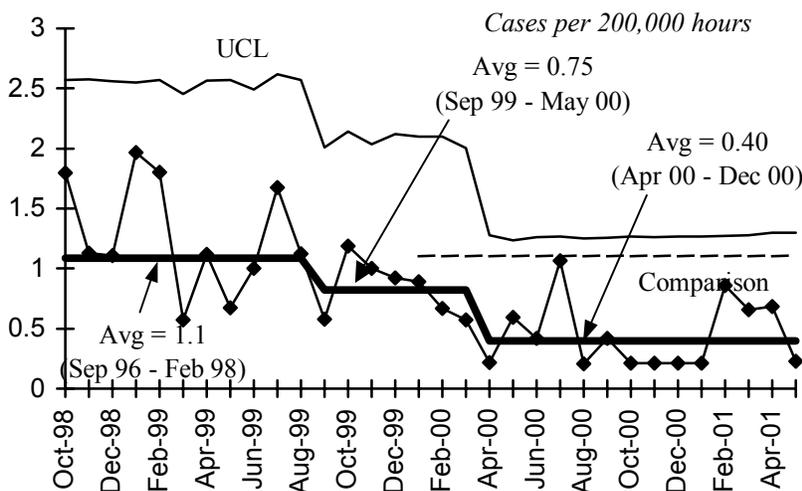
Recent data have been stable within the new 1.5 baseline. The FH Team continues to look for opportunities for injury reduction in the areas of ergonomics and lacerations.

FH implemented a program to target an OSHA Recordable Case Rate of 0.9. The Fluor Global Services goal is 1.0.

This goal is in line with Fluor's corporate value of safety and our commitment to the safe clean-up of the Hanford Site. A team continues to work on Health Physics Technician ergonomics, focusing upon work practices and equipment. HPT's are the leading source of injuries, and these are primarily ergonomically related. Actions are being taken to address human factors issues with equipment and the aging workforce through the cooperation of the HPT's, their management, ES&H, and HEHF.

The Department of Energy complex-wide rates for DOE contractors are used as comparisons on these charts.

OSHA Lost/Restricted Workday Case Rate

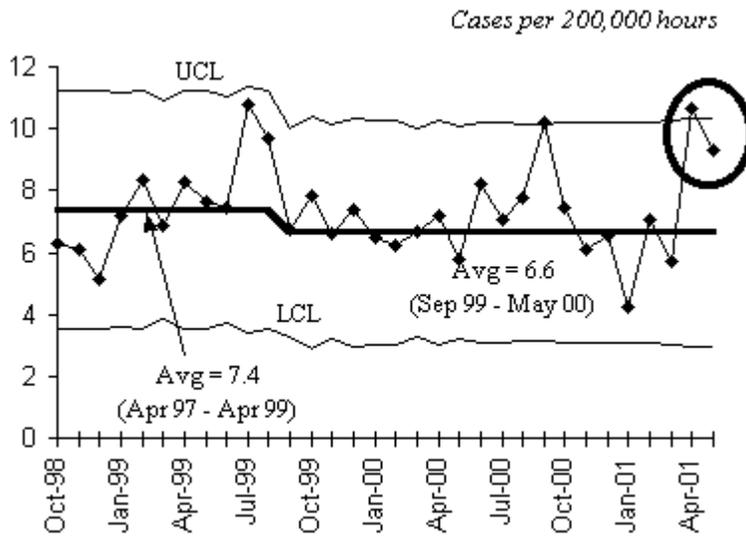


FY 2000 = 0.67
FY 2001 to date = 0.41
Contractor Comparison Average = 1.1 (CY00)

This chart displays significant improvements in this indicator over the past three fiscal years. Data are currently stable at a baseline of 0.40 cases per 200,000 hours.

FIRST AID CASE RATE

Green

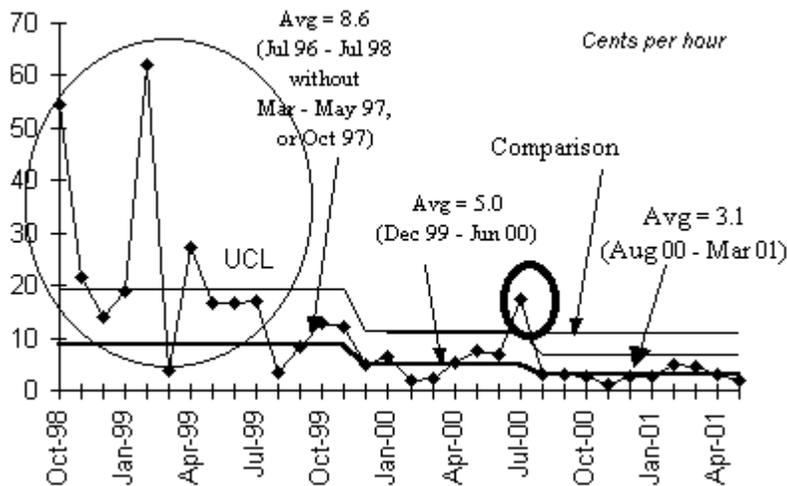


First Aid Rate undergoes seasonal cycles. Increases occur in warmer weather due to insect and animal encounters, and due to wind related minor injuries. Such an increase has occurred this Spring. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire last summer. First Aid case rate has remained relatively stable, a good indicator that injuries are not being under-reported.

Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the cyclical trend in the data.

DOE SAFETY COST INDEX

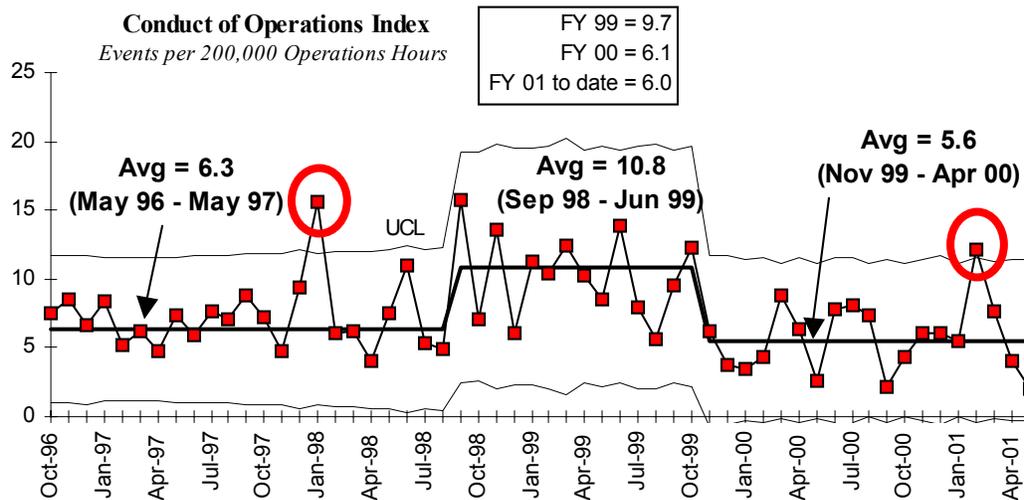
Green



FY 2000 = 6.9
 FY 2001 to date = 3.0
 Contractor Comparison Average = 10.8 (CY00)
 The data are stable within the current average and control limits. There has been a long term improving trend on this chart. The current performance is well below DOE average, and the historical 8.0 goal for this indicator.

Past data continue to be corrected as further days accumulate on any work restrictions or lost days.

CONDUCT OF OPERATIONS / ISMS STATUS



Yellow

ISMS STATUS

Green

Continue work on the WMP Voluntary Protection Plan (VPP) application with a draft available for review and comment by all Project employees. Continue WMP employee educational effort with the release of our third issue of the WMP VPP TidBits information bulletin.

WMP employed the ISMS process in handling the discovery of an unidentified solution in one of the T-Plant canyon cells, in the planning and execution of ongoing work to retrieve TRU drums for the LLBG, and the planning and execution of work to repair the thin film dryer rotor assembly at the 200 Liquid Waste Processing Facility. All involved detailed work planning, RadCon review, and employee participation in work planning, hazard identification and hazard control/mitigation.

At PFP, preparations are continuing for VPP "Star" status application.

The RCP ISMS "Sustain and Maintain" process is in place. RCP is supporting development of the FH Annual ISMS Performance Review to RL. The VPP application was submitted to the Fluor Hanford (FH) president on June 20, 2001. A DOE-HQ on-site field review will be scheduled later in the year.

SNF Project personnel continue to demonstrate a commitment to ISM in "Doing Work Safely". Several examples of this include:

- Coordinated efforts of maintenance, operations and radiological protection organization personnel in removal of the KE divider wall brace.
- Successful completion of the first outage cycle by maintenance and operations personnel.
- Teaming of Operations and Construction staff to complete the final design of the KE fuel removal process and subsequent approval of the Comprehensive BCR.

BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Breakthroughs

Project W-460 — appropriation of additional funding may allow the project to be completed by September 30, 2001.

International Atomic Energy Agency (IAEA) — Under the direction of the inventor, a new epithermal neutron multiplicity counter from Las Alamos National Laboratory (LANL) is undergoing extensive testing by the PFP and the International Atomic Energy Agency (IAEA) staff. If tests are successful, this counter may expedite neutron counting of 3013 containers. Negotiations continue with LANL regarding the duration of the test period.

Residues —The documentation eliminating the requirement for the use of 85-gallon overpacks was issued. The elimination of the requirement reduces the shipment preparation time, eliminates the hazard of lifting the Pipe Overpack Containers (POCs) into and out of the overpacks, reduces dose by reducing shipment preparation time, and increases the number of POCs per shipment which in turn reduces the number of shipments and associated costs. A shipment of Hanford ash was made without the 85-gallon overpacks. *(No further status to be provided)*

Technical Review of 327 Hot Cell Removal — Technology Management, supported by RCP, completed a review of the feasibility of intact removal of the hot cells from the 327 Facility. The review team found the concept of intact removal to be feasible and had significant ALARA cost and schedule benefits. RCP concurs with the conclusions and recommendations for near term actions as first steps toward re-planning the deactivation baseline. Strategies and alternatives that will allow RCP to complete the most critical of the recommended near term actions are being identified.

Value Engineering for Configuration Management — The RCP procedures "Configuration Baseline Management" and "Engineering Document Change Control," were approved June 1, 2001. The two procedures authorize the use of alternate configuration management methods. Use of the alternate methods has the potential to dramatically change the way in which facility modifications are documented within the RCP.

Permit By Rule Treatment at 300 Area TEDF — FH is investigating the potential to treat limited categories of liquid non-radioactive hazardous wastes using the existing capabilities of the 300 Area TEDF by applying a permit exclusion available within the waste regulations. Depending upon the outcome of ongoing regulatory analysis, treatment of hazardous wastes at TEDF could provide a low-cost option for disposal of some wastes currently sent off-site. A decision on whether to proceed based on the outcome of the regulatory analysis and customer surveys is anticipated in September 2001. Preliminary regulatory evaluation results are promising, and appear to possibly allow treatment of more categories of waste than originally anticipated.

SNF Accelerated Closure Team (ACT) — The ACT has identified several prospective improvements and breakthroughs that have the potential to further reduce fuel removal processing times and accelerate the completion of the Project. Potential breakthroughs consist of initiatives that could reduce MCO drying, simplify sludge removal and accelerate the project transition to the River Corridor contractor. These initiatives are now being actively evaluated.

MCO Production Rate Improvements — The manually operated fuel handling tables are installed, grating modifications are complete, and preparations for receipt of the handling tools and transfer crane are on track. Plans are to complete testing during the last week of June to the first week of July, and put the equipment into operation as KW completes its July maintenance outage.

Opportunities for Improvement

Hanford/Nevada Test Site Waste Generator Summit Meeting — A Summit meeting is being planned to develop strategies for DOE Complex mixed low-level and low-level waste disposal. The Summit is being planned for June 26-28, 2001 in Lakewood, CO. Specific topics for discussion at the conference which will potentially present opportunities for improvement of both Complex-wide and Hanford programs include:

- Implementation of the Waste Management Programmatic Environmental Impact Statement (PEIS) record of decision
- DOE Disposal Program Standardization (waste acceptance criteria comparison, audits versus verification)
- Disposal Costs
- Waste Forecasts
- Disposal Site Performance Measures, and
- Development of a DOE Complex Integrated Schedule (national disposal strategy)

PFP Solutions Stabilization — Alternate disposition options continue to be evaluated. *(No further status to be provided)*

New EM-50 Funds (\$450K) for Robust Manipulator Arm — Via support from EM50, RCP's 324 Building will acquire an AEA ARTISAN manipulator arm to support hot cell deactivation. ALARA/extremity-dose savings are expected due to an anticipated reduction in maintenance and repair. AEA's Project Manager for the ARTISAN arm plans to meet with 324 Building staff during the week of June 25, 2001. The focus of the visit will be to ensure that the robotic system and facility interface requirements are well defined and mutually understood. Following site testing and operations training, the ARTISAN will be deployed in the Shielded Materials Facility hot cells located in the 324 Building. Delivery of the ARTISAN arm to Hanford is expected by the end of FY 2001.

ISSUES

T Plant Canyon Cleanout — T Plant Canyon cleanout has been delayed by the discovery, during planned cell visual inspections, of an unanticipated tank containing liquid and salt cake in Cell 11-L. Archived records have been reviewed and former T Plant personnel have been interviewed. Additional sampling is in process to characterize the sludge layer and resolve the criticality and fissile inventory issues. Limited canyon activities have resumed, as authorized by the Plant Manager, with access to Cell 11-L restricted.

Exposed TRU Drum Retrieval — The frequency of occurrence of unvented drums containing in excess of 15 grams plutonium is higher than assumed in the LLBG Justification for Continued Operation (JCO). Retrieval operations were suspended when two unvented drums above the RL-imposed limit for Trench 29 were discovered during retrieval operations in Trench 1 on May 31, 2001. A new JCO is being prepared to support completion of exposed drum retrieval in trenches 1, 20, 24, and 29.

Revision 7 of the Hanford RCRA Permit (aka Modification E) Application — On March 30, 2001, RL, FH, Pacific Northwest National Laboratory, Bechtel Hanford, Inc., and CHG appealed the permit to the Washington Pollution Control Hearing Board. This stayed the effective date of the permit until the matter is resolved before the Board. A pre-hearing was held with the Pollution Control Hearing Board on May 22, 2001. The appeal is scheduled to be heard in January 2002. Operations continue under the current Permit. This issue will be updated when the appeal is heard.

The Super Critical Fluid Extraction (SFE) method — The SFE method does not accurately measure the moisture content of stabilized product from such processes as the Mg(OH)₂ process. A final decision not to use the SFE method was issued by RL. Currently the Loss On Ignition (LOI) method will be utilized for high purity oxides, and inert atmosphere testing will be installed for other oxides.

Demolition of the 303-K facility — BHI has verbally informed RCP that they may not be able to support the demolition of the 303-K facility this fiscal year. The delay will result in RCP missing the RCRA Part B permit condition of clean closure certificated as being submitted by September 30, 2001. BHI is evaluating its ability to do the demolition in early September, which will meet the PI, but will require an extension to the RCRA Part B permit closure. Discussions have occurred with FFS on its ability to do the demolition and a draft proposal was received from FFS on June 13, 2001. BHI is expected to provide its response by the end of June.

EM MANAGEMENT COMMITMENT MILESTONES

DATA THROUGH MAY 2001

Milestones	Due Date	Forecast Date	Actual Date	Status / Comments
Nuclear Materials Stabilization				
Package plutonium alloys for disposition to WIPP or for long-term storage	6/30/01	7/31/01		Forecast Late
Complete brushing and repackaging of plutonium metal inventory	8/31/01	8/31/01		On Schedule
Complete repackaging and shipping of Rocky Flats ash to CWC	4/30/01	3/29/01	3/29/01	Complete
River Corridor				
Complete shipment of waste from B-Cell cleanout (M-89-02)	7/31/01	7/31/01		On Schedule
Spent Nuclear Fuels				
Remove first MCO from K-West Basin	11/30/00	12/7/00	12/7/00	Complete
Approve Construction of Alternate Fuel Transfer Strategy Basin mods	9/30/01	9/30/01		On Schedule
Waste Management				
Transmit T-Plant Sludge Storage Conceptual Design to Ecology	6/29/01	6/11/01	6/11/01	Complete

CRITICAL FEW PERFORMANCE INCENTIVES

The following table portrays the incentives contained in the contract extension. Reporting relating to the revised incentives can be located in the individual Project Sections.

PERFORMANCE MEASURE	Data Through May 2001
Spent Nuclear Fuel:	
Measure – Transfer K-Basin Facility to River Corridor Contractor Remove spent fuel by July 31, 2004	Green
300 Area Cleanup:	
Measure – Accelerate 300 Area cleanup	Green
Measure – Support River Corridor Project contract transition	Green
200 Area Facility Disposition:	
Measure – Disposition surplus buildings and rolling stock	Green
Waste Management:	
Measure – Treat and Dispose MLLW	Green
Measure – Certify TRU waste and ship to WIPP	Green
Measure – Complete physical activities necessary to store K-Basins sludge at T-Plant	Green
Measure – Complete contractor readiness assessment (T-Plant)	Green
Measure – Prepare T-Plant to support M-91 activities	Green
Plutonium Stabilization:	
Measure – Pu metal/oxides/other types dispositioned All Pu bearing materials stabilized by May 31, 2004	Green
Measure – PFP Deactivation	Green

KEY INTEGRATION ACTIVITIES

The following are the key technical integration activities that are currently underway and cross project/contractor lines. These activities are being addressed by inter-discipline and inter-project groups and demonstrate that Hanford Site contractors are working together to accomplish the EM Clean up mission.

- Analytical Services is supporting CHG high-level waste tank vapor and feed to glass plant characterization.
- Under the direction of the inventor, a new epithermal neutron multiplicity counter from LANL is undergoing extensive testing by PFP and IAEA staff. If tests are successful, this counter may expedite neutron counting of 3013 containers. Negotiations continue with LANL regarding the duration of the test period.
- Activities continued for potential receipt of SNF discovered by Bechtel Hanford Inc. during upcoming 105F and 105H reactor basins deactivation at K Basins.
- The Sludge Handling Project and T Plant Operations continued preparations for K Basin sludge storage at T Plant.

UPCOMING PLANNED KEY EVENTS

The following key events are extracted from the authorized baseline and are currently expected to be accomplished during the next several months. Most are Enforceable Agreement (EA), HQ or DNFSB Milestones.

Waste Management

- Resume TRU waste retrieval and drum transfers to CWC upon revision of the JCO.
- Prepare and issue the Land Disposal Restriction Report to the regulators by June 30, 2001 to meet TPA milestone M-26-01.
- Ship TRU to WIPP in June, July, and August 2001.
- Continue support to the 324 facility in the shipment and placement of Hittman liners in the Low Level Burial Ground to meet the July 31, 2001 commitment date.
- Accelerate readiness at T Plant to receive and store Spent Nuclear Fuel K Basin Sludge – by September 30, 2001:
 - Clear 4 T Plant canyon cells
 - Initiate contractor Operational Readiness Review.
 - Complete removal of four large pieces of equipment.
- Continue to receive waste in support of PFP Pu/Al alloy and Hanford ash processing through November 2001.

Nuclear Materials Stabilization

- Complete stabilization and repackaging of Pu metals and oxides in 3031 outer cans by August 31, 2001.
- Complete Project W-460 construction activities by August 31, 2001.
- Complete hot startup of the 2736-ZB Stabilization and Packaging System (W-460) by September 30, 2001.

River Corridor Project

- Begin 224-T facility initial entry and characterization on receipt of the NOC targeted for mid-June.
- Bury approximately 135 metric tons of surface contaminated uranium fuel at the LLBG by June 30, and approximately 5 metric tons of miscellaneous uranium scrap materials by September 30, 2001. Additionally, disposition thorium materials located in the 303-K Facility by September 30, 2001.
- Complete moving B Cell low-level waste and transuranic debris away from the 300 Area by July 31, 2001.
- Implement technical update of 327 Authorization Basis (Basis of Interim Operation) by the end of FY 2001.
- Demolish 3902A, 3902B, and 303-K Buildings in the 300 Area by September 30, 2001.

Spent Nuclear Fuels

- Perform Shippingport (PA) fuel removal dry run June 2001.
- Complete implementation of Safety Authorization Basis for receipt and storage of Shippingport (PA) SNF at the Canister Storage Building (CSB) in June 2001.
- Complete fuel production rate improvements July 2001.
- Conduct second SNFP maintenance outage July 2001.
- Receive and install the KW Cask Loadout System crane in July 2001.
- Initiate KW Basin spent nuclear fuel canister cleaning operations in August 2001.
- Continue receipt of MCO shipments through FY 2001.
- Complete Standard Startup Review for Shippingport SNF receipt and storage at CSB by September 2001.
- Receive all Shippingport Spent Fuel Canisters by September 2001.

Landlord

- Complete Bunker Tank Disposition in July 2001 (RL Milestone LLP-01-505).
- Complete Project L-298, "Road Resurfacing," by August 31, 2001 (RL Milestone LLP-01-540).
- Complete Construction of Project L-310, "Distribution Water Line," by August 31, 2001 (RL Milestone LLP-01-510).