



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 information is current as of the end of February 2002 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, and milestone performance. Also included in this section is a contract to date performance table. 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.

Concluding the Executive Summary, a forward-looking synopsis of Upcoming Planned Key Events is provided.

Note: Milestones tracked and reported in the Executive Summary are FY2002 Contract Milestones and 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 milestone tables found in the applicable Project Sections. These tables include FY2002 through FY2006 milestones.

NOTABLE ACCOMPLISHMENTS

Spent Nuclear Fuel (SNF) Movement Activities ^{3/4} During this reporting period, four Multi-Canister Overpacks (MCOs) containing 18.48 Metric Tons of Heavy Metal (MTHM) were shipped from K West (KW). Cumulatively to date, 47 MCOs containing 220.55 MTHMs have been shipped. The SNF Project is currently fifteen days behind schedule to move 720.1 MTHMs by the end of FY 2002.

Asset Disposition, Transfer of Contaminated Crane — A contaminated crane was transferred to Waste Control Specialists for reuse at their Texas facility in February 2002. This transfer saves approximately \$300K in burial and related disposal costs and provides a template for future transfers.

Hanford TRU Certification ^{3/4} Carlsbad Field Office (CBFO) has closed the Corrective Action Report (CAR) identified during the surveillance of Plutonium Finishing Plant (PFP) Non-Destructive Assay (NDA) and Visual Examination (VE) Technique (December 18-19, 2001). No open CBFO CARS remain.

Stabilization of Nuclear Material

- **Residues** — The last of the Hanford ash was measured and packed into a Pipe Overpack Container (POC) on February 13, 2002. The final shipment of Hanford Ash to the Central Waste Complex (CWC) is expected to be completed in early March, well in advance of the August 31, 2002 Tri Party Agreement (TPA) milestone (TRP-02-504).

- **Solutions** $\frac{3}{4}$ During February production for the Solutions Stabilization Project was 230 liters. This includes 170 liters via oxalate precipitation, 20 liters of direct discard and 40 liters from inspection of four PR containers that were verified as empty. The cumulative percentage of solutions (by volume and total plutonium) processed is now 61 percent and 87 percent respectively.

Thermal Stabilization & Bagless Transfer System (BTS) $\frac{3}{4}$ A total of 506 Bagless Transfer Containers have been produced in the 234-5Z facility as of the end of February, nineteen of which were produced during February. At the 2736-ZB facility, a total of 18 BTCs have been made since startup of the process in late November 2001; thirteen of which were produced during February.

PERFORMANCE DATA AND ANALYSIS

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

FY 2002 Schedule and Cost Performance

Schedule Performance — There is a FY 2002 year-to-date 1.6 percent (\$3.2 million) unfavorable schedule variance that is within the established 10 percent threshold. The 300 Area Facility Transition subproject is the only one outside the threshold. Detailed variance analysis explanations can be found in the applicable section.

Cost Performance — FY 2002 year-to-date cost performance reflects a 1.5 percent (\$3.0 million) favorable cost variance that is within the established 10 percent threshold. Subprojects outside the threshold are 300 Area Cleanup, Advanced Reactor Transition, 200 Area Remediation, Plutonium Finishing Plant, Landlord & Site Services, and Near Term Stewardship. Detailed variance analysis explanations can be found in the applicable sections.

BASELINE PERFORMANCE STATUS

FY 2002 COST / SCHEDULE PERFORMANCE – ALL FUND TYPES

FY TO DATE STATUS (\$M)

(FLUOR HANFORD, INC. ONLY)

DATA THROUGH FEBRUARY 2002

	Current Fiscal Year Performance (\$ x Million)					Annual Budget
	FYTD			Schedule Variance	Cost Variance	
	BCWS	BCWP	ACWP			
River Corridor Restoration						
3.1.2 300 Area Cleanup RC02	0.5	0.5	0.4	0.0	0.1	1.4
3.1.3 Advanced Reactor Transition RC03	0.6	0.6	0.5	0.0	0.1	1.5
3.1.5 River Corridor Waste Mgmt. RC05	1.4	1.4	1.3	0.0	0.1	3.9
3.1.6 300 Area Facility Transition RC06	16.5	14.4	15.2	(2.1)	(0.8)	43.8
Subtotal Restoration	19.0	16.9	17.4	(2.1)	(0.5)	50.6
River Corridor Final Closure and SNF						
3.2.3 Spent Nuclear Fuel RS03	68.8	68.3	68.3	(0.5)	0.0	171.5
Subtotal SNF	68.8	68.3	68.3	(0.5)	0.0	171.5
Central Plateau Transition						
3.3.1 200 Area Remediation CP01	2.7	2.6	1.7	(0.1)	0.9	15.9
3.3.2 Waste Management CP02	30.3	31.6	30.2	1.3	1.4	81.2
3.3.3 Plutonium Finishing Plant CP03	36.7	36.0	31.9	(0.7)	4.1	81.7
Subtotal Central Plateau	69.7	70.2	63.8	0.5	6.4	178.8
Site Integration & Infrastructure						
3.4.1 Site Integration SS01	11.9	12.0	11.6	0.1	0.4	29.8
3.4.2 Landlord & Site Services SS02	34.3	33.1	36.5	(1.2)	(3.4)	92.8
3.4.5 HAMMER SS05	1.9	1.9	1.9	0.0	0.0	4.8
Subtotal Site Integration	48.1	47.0	50.0	(1.1)	(3.0)	127.4
Site Stewardship						
3.5.1 Near Term Stewardship SC01	0.4	0.4	0.3	0.0	0.1	0.9
Subtotal Stewardship	0.4	0.4	0.3	0.0	0.1	0.9
Total PHMC Projects	206.0	202.8	199.8	(3.2)	3.0	529.2

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. The data is from the Hanford Data Integrator (HANDI) reports. The Annual Budget is FY2002 workspe only and does not include prior year scope. Additionally, Scope Transfers that will occur in June 2002 are not reflected in the Annual Budget.

BASELINE PERFORMANCE STATUS CONTRACT TO DATE STATUS (\$M) (FLUOR HANFORD, INC. ONLY)

The following table portrays the Fluor contract to date cost and schedule performance.

DATA THROUGH FEBRUARY 2002

	Contract to Date Performance (\$ x Million)					Contract Period Budget	
	CTD			Schedule Variance	Cost Variance		
	BCWS	BCWP	ACWP				
River Corridor Restoration							
3.1.2	300 Area Cleanup RC02	1.7	1.7	1.6	0.0	0.1	33.4
3.1.3	Advanced Reactor Transition RC03	2.4	2.3	1.8	(0.1)	0.5	7.6
3.1.5	River Corridor Waste Mgmt. RC05	5.8	5.8	5.2	0.0	0.6	27.2
3.1.6	300 Area Facility Transition RC06	62.1	58.9	57.7	(3.2)	1.2	341.8
	Subtotal Restoration	72.0	68.7	66.3	(3.3)	2.4	410.0
River Corridor Final Closure and SNF							
3.2.1	S. Hanford Industrial Area	0.0	0.0	0.0	0.0	0.0	6.4
3.2.3	Spent Nuclear Fuel RS03	245.6	239.0	235.1	(6.6)	3.9	639.1
	Subtotal SNF	245.6	239.0	235.1	(6.6)	3.9	645.5
Central Plateau Transition							
3.3.1	200 Area Remediation CP01	8.8	8.0	7.4	(0.8)	0.6	204.1
3.3.2	Waste Management CP02	134.3	131.1	125.5	(3.2)	5.6	611.5
3.3.3	Plutonium Finishing Plant CP03	144.2	136.5	135.5	(7.7)	1.0	457.3
	Subtotal Central Plateau	287.3	275.6	268.4	(11.7)	7.2	1272.9
Site Integration & Infrastructure							
3.4.1	Site Integration SS01	29.0	28.8	27.5	(0.2)	1.3	175.5
3.4.2	Landlord & Site Services SS02	85.2	83.1	85.5	(2.1)	(2.4)	537.8
3.4.5	HAMMER SS05	8.3	8.0	7.7	(0.3)	0.3	29.2
	Subtotal Site Integration	122.5	119.9	120.7	(2.6)	(0.8)	742.5
Site Stewardship							
3.5.1	Near Term Stewardship SC01	1.5	1.5	0.8	0.0	0.7	5.1
	Subtotal Stewardship	1.5	1.5	0.8	0.0	0.7	5.1
Total PHMC Projects		728.9	704.7	691.3	(24.2)	13.4	3076.0

FUNDS MANAGEMENT FUNDS VS. ACTUAL COSTS (\$000)

This chart reflects FH Project structure. 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 (as generated in the PEM system).

Fiscal year spend forecasts (FYSFs) exclude projected savings associated with workforce restructuring and only partially incorporate savings associated with the implementation of the Project Maintenance Center. Additionally, specific actions (including a curtailment of discretionary procurements, hiring restrictions, travel restrictions, and designated off ramps) have been identified to ensure that funding control points are not violated. Decisions as to which actions should be implemented will be made in the April/May time frame.

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.

Project	PBS	FH Allocation	Project February FYSF	Funds Variance by Control Point		
				Project Completion	Post 2006	Other
Spent Nuclear Fuel	RS03	\$177,894	\$181,333	(\$3,439)		
Plutonium Finishing Plant	CP03	\$82,230	\$82,490	(\$260)		
	CP03	\$556	\$556			\$0
	Subtotal PFP	\$82,786	\$83,046			
River Corridor	RC06	\$38,865	\$38,676	\$189		
	RC02	\$1,124	\$1,099		\$25	
	RC05	\$3,368	\$3,335		\$33	
	RC01	\$2,779	\$2,779		\$0	
	CP01	\$18,447	\$18,239		\$208	
	RS01	\$80	\$80		\$0	
	SS03	\$0			\$0	
	SS04	\$1,724	\$1,724		\$0	
	Subtotal RCP	\$66,387	\$65,932			
Waste Management	CP02	\$77,353	\$78,846	(\$1,493)		
Advanced Reactor	RC03	\$2,285	\$1,609			\$676
Landlord & Site Services	SS02	\$89,543	\$91,871	(\$2,328)		
HAMMER	SS05	\$4,942	\$5,224		(\$282)	
Site Integration	SS01	\$27,393	\$28,015		(\$622)	
Near Term Stewardship	SC01	\$800	\$872		(\$72)	
TOTAL EXPENSE		\$529,383	\$536,748	(\$7,331)	(\$710)	\$676

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. These milestones have been included in the FH contract.

FYTD milestone performance (Enforceable Agreement [EA], U.S. Department of Energy- Headquarters [DOE-HQ], and RL) shows that three milestones were completed on or ahead of schedule, one milestone was completed late, and no milestones are overdue.

In addition to the FY2002 milestones described above, there is one overdue milestone from FY2001 [PFP (Section J)]. Further details regarding this milestone may be found in the referenced Project Section.

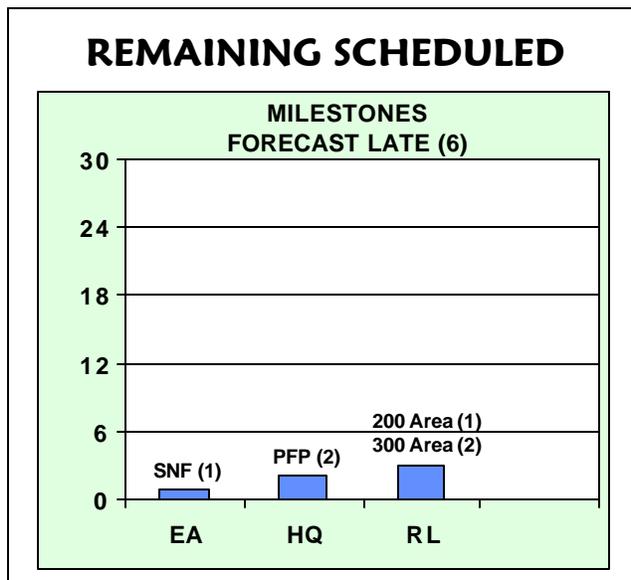
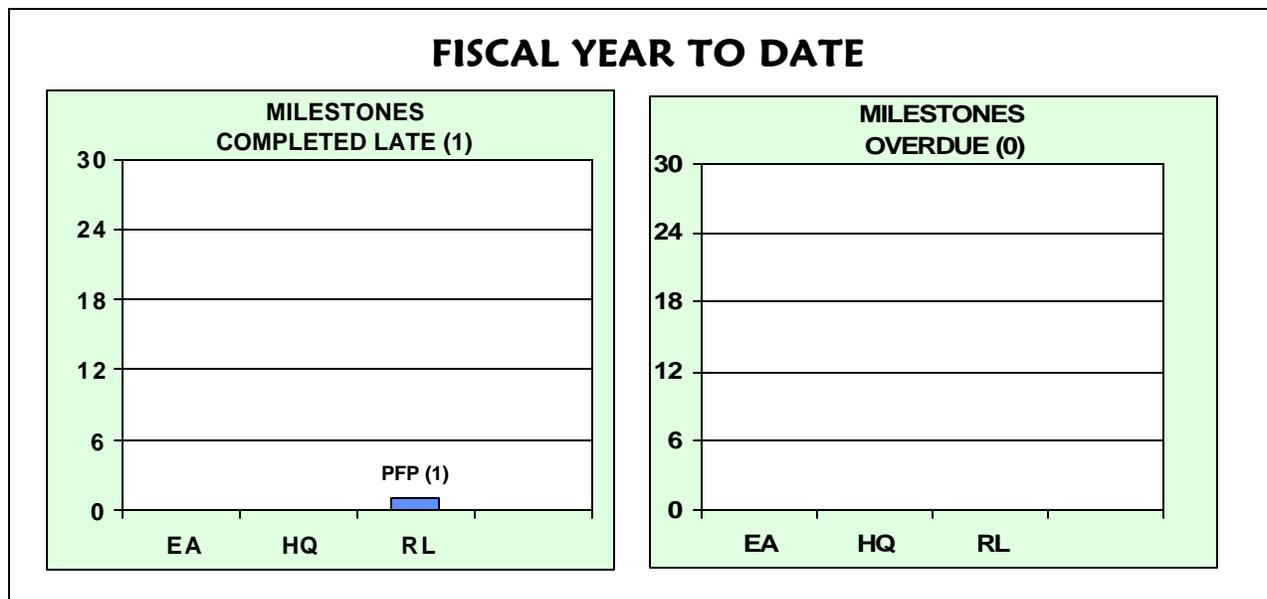
FY 2002 information is depicted graphically on the following page. For additional details related to the data, prior year milestones, and outyear milestones, refer to the relevant project section titled "Milestone Achievement."

FY 2002 information reflects the September 30 Baseline. 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 FH Contract Milestones

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			Total FY 2002
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	2	0	0	0	2	0	1	5
DOE-HQ	0	0	0	0	0	0	2	2
RL	1	0	1	0	0	3	3	8
Total Project	3	0	1	0	2	3	6	15

MILESTONE EXCEPTIONS



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

PHMC Level

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: The OSHA Recordable Case Rate appears to have returned to the previous baseline of 1.5 cases per 200,000 hours. FH has implemented the new OSHA 300 rules this calendar year. FH has not seen a significant impact from the adoption of the new OSHA 300 rules.

Lost Away Workday Case Rate: The current safe work hour count for the FH Team is 2,239,788 hours. A case from December 2001 has received lost away workdays in CY 2002. As this case occurred in the previous calendar year, the classification of the case remains unchanged due to the new OSHA reporting requirements. However, for Fluor corporate reporting purposes, the safe hours count has been reset to this case.

DOE Safety Cost Index: Data are stable at the current baseline time interval.

Subproject Level

The **Plutonium Finishing Plant (PFP)** subproject has achieved 226,267 safe work hours since the last lost away workday case. The safe hours clock has been reset due to a case in December 2001 that received lost away workdays in CY 2002. The PFP DOE Safety Cost Index has been below average for nine of the past ten months; one more below average months will be a significant decrease.

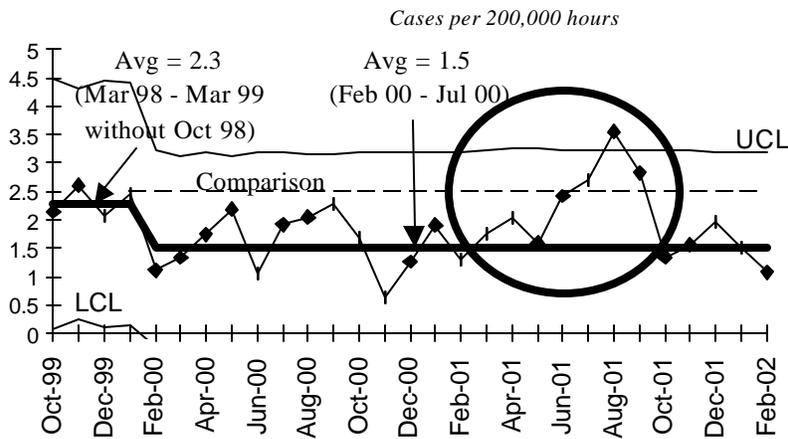
The **300 Area Facility Transition** (WBS 3.1.6) subproject (formally called the River Corridor Project) achieved 236,510 safe work hours. The OSHA Recordable Case Rate remains stable at a 1.9 rate. The subproject became the sixth Hanford organization to receive the US Department of Energy's highest safety recognition: the Voluntary Protection Program (DOE-VPP) Star. The review team noted that the subproject "met or exceeded technical requirements for participation in the DOE-VPP".

The **Spent Nuclear Fuel (SNF) Project** exceeded four million safe hours as of this month. The SNF Project FY 2002 OSHA Recordable Case Rate is at the Fluor goal of 0.9 cases per 200,000 hours. SNF was the first FH Project to achieve 4 million safe work hours.

The **200 Area Materials and Waste Management** (WBS 3.3.2) subproject (formally called the Waste Management Project) has achieved 3,406,095 safe work hours. The data remains stable at the current OSHA Recordable Case Rate baseline of 1.8 cases per 200,000 hours.

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

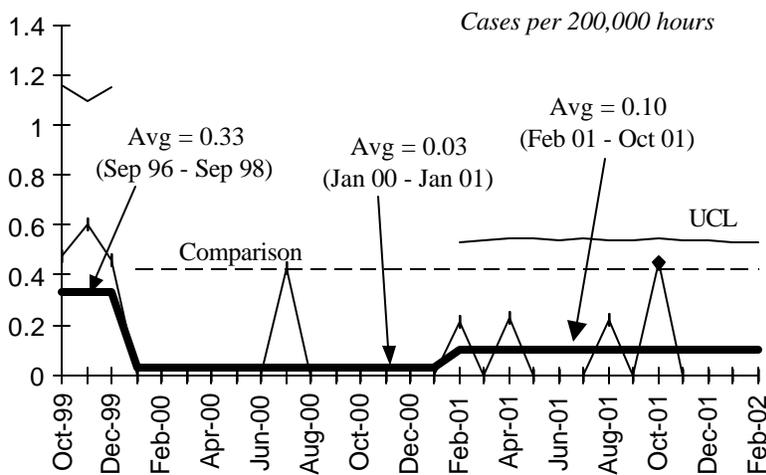
Total OSHA Recordable Case Rate



FY 2001 = 2.0
FY 2002 to date = 1.5
Contractor Comparison
Average = 2.5 (CY00)

The OSHA Recordable Case Rate appears to have returned to the previous baseline of 1.5 cases per 200,000 hours. Fluor Hanford held a "Safety Summit" on January 22nd and 23rd and is implementing plans developed during the Summit. The Fluor Global Services goal is 0.9. The Department of Energy complex-wide rates for DOE contractors are used as comparisons on these charts.

OSHA Lost Away Workday Case Rate

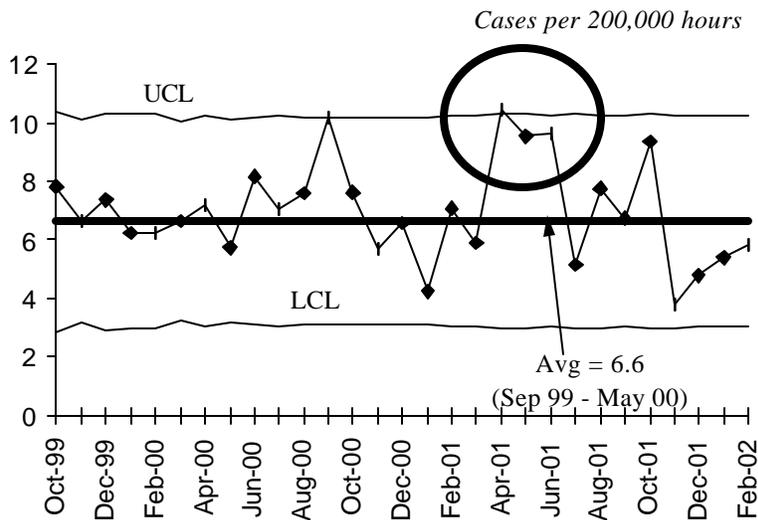


FY 2001 = 0.05
FY 2002 to date = 0.09
Contractor Comparison Average = 0.42 (CY00)

The current safe work hour count for the FH Team is 2,239,788 hours. A case from December 2001 has received lost away workdays in CY 2002. As this case occurred in the previous calendar year, the classification of the case remains unchanged due to the new OSHA reporting requirements. However, for Fluor corporate reporting purposes, the safe hours count has been reset to this case.

FIRST AID CASE RATE

Green

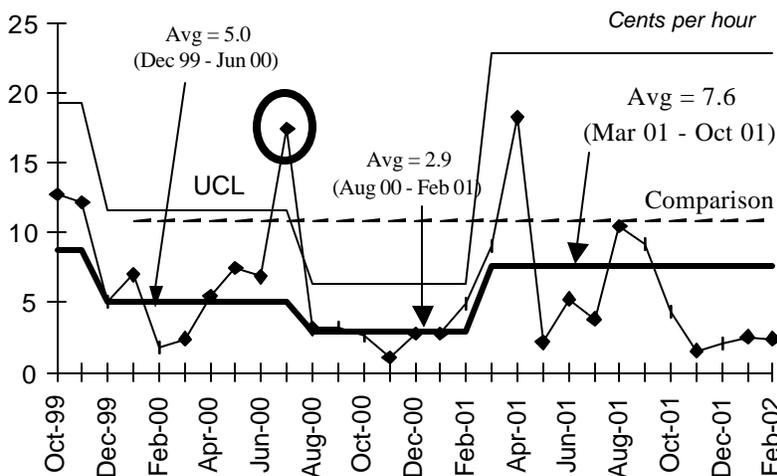


First Aid Rate undergoes seasonal cycles. Increases occur in warmer weather due to insect and animal encounters, and due to wind related minor injuries. Such an increase did occur this past summer. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire in June 2000. 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



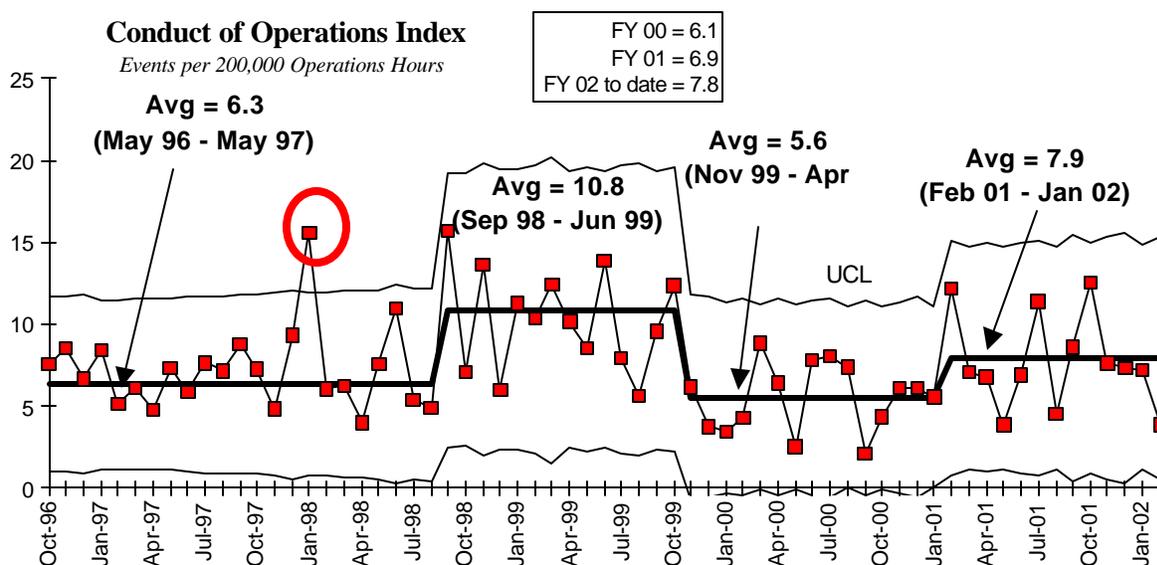
FY 2001 = 5.9
 FY 2002 to date = 2.6
 Contractor Comparison Average = 10.8 (CY00)
 The new baseline average was further modified for growth in restricted workdays on cases within the baseline. The current performance is below DOE average, and the historical 8.0 goal for this indicator.

Current Calendar's Year data continue to be corrected as further days accumulate on any work restrictions or lost days.

CONDUCT OF OPERATIONS

New information for October 2001 placed the data above the Upper Control Limit from the 5.6 baseline. Since there had already been one signal of increase, this new signal was used as justification for establishment of a higher baseline.

The current month does tend to be artificially low as it can take up to 45 days to assign a root cause to an occurrence report, and the majority of the event types in the index are root cause generated.



BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Breakthroughs

Permit By Rule Treatment at 300 Area TEDF — FH investigated 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. Treatment of hazardous wastes at TEDF could provide a low-cost option for disposal of some wastes currently sent off-site. While initial implementation activities are planned through the remainder of FY 2002, full implementation will be delayed to FY 2003 due to a reduction in funding.

Monolithic Removal of 327 Hot Cells — To support accelerated 300 Area closure, River Corridor (RC) is integrating decommissioning and demolition with deactivation activities where practical. Intact removal of the 327 hot cells appears to be technically feasible, to have potentially significant ALARA benefits, and results in schedule/cost reductions. Certification that the hot cells can be disposed of as non-Transuranic waste is key to adopting monolithic removal as the technical baseline. In support of this initiative, RC was successful in obtaining Accelerated Site Technology Deployment (ASTD) funding (\$935K) to purchase in-situ characterization instruments that will lead to the eventual Low Level Waste certification. Authorization to proceed with the ASTD funded procurement and activity is expected from RL during March 2002.

Cold Vacuum Drying Facility (CVDF) Fuel Processing / Production Improvements — The CVDF continues to assess and implement processing and production improvements. A SAR change addressing a low wattage MCO issue was completed and implemented in only five days. The average processing time for the past four MCOs is 63.9 hours, 26.1 working hours under the 90 working hour target.

Waste Retrieval and Packaging (WRAP) low-level waste glovebox line modifications —

Waste Management is proceeding with the modification of the WRAP low-level waste glovebox line to allow its use for TRU waste processing and super-compaction. This conversion will improve WRAP operating reliability, increase throughput capacity, and through the application of super-compaction to waste destined for the Waste Isolation Pilot Plant (WIPP), will offer considerable return on investment (savings) over the FH contract period. Matching funding to support this effort (\$355K in FY 2002, \$115K in FY 2003) was obtained from EM-50 through the Accelerated Site Technology Deployment program. The Technical Task Plan for managing the modification project has been completed. The conversion is anticipated to be completed by the second quarter of FY 2003.

Deactivation Initiative ¾ Development and submittal of a conceptual PFP Accelerated Decommissioning Initiative identifying enabling decisions and path forward to complete PFP decommission project another seven years earlier with additional savings estimated at approximately \$550 million. This initiative was presented to DOE-HQ in February.

Information Resource Management - Virtual Knowledge Center (VKC) Project Status — The VKC project provides a suite of technologies that allows simple and easy access to information from a multitude of databases and systems through a portal. Capabilities include electronic signatures, electronic workflow, electronic records management, electronic document management, and portals for searching for documents/records. In FY2002, there are several pilot projects (co-sponsored by FH, CHG, RL, and ORP), to evaluate these technologies. Training for automating the CHG procedures process in the VKC-IDMS project was completed. This initial application is scheduled for implementation in mid-April.

Opportunities for Improvement

Conduct of Operations Improvement Initiative — RC has essentially completed the activities identified in the Conduct of Operations Improvement Plan. Project directors provided a summary review of progress to the RC Vice President at the two-, four-, and six-month milestones. The six-month status meeting was held on February 7, 2002. The facilities are completing program documentation to build a Conduct of Operations Sustain and Maintain Plan to be completed throughout the remainder of the year.

KW Fuel Production Improvement — Elimination of the "end-of-batch" accountability could reduce critical path by an average of two to four hours per MCO. This translates into a five to ten percent increase in productivity for moving fuel into baskets over the life of the project. Other improvements being tested include: A new "stinger" design for handling fuel elements and if successful, could provide three million dollars in cost avoidance over the life of the project; back-washing knock-out pots that could potentially result in a 100 thousand dollar cost-avoidance; and additional evaluation of KW water characteristics during treatment could result in a cost-avoidance of one million dollars in Ion Exchange Columns (IXM) action to solving equipment reliability. Weekly follow-up meetings for equipment reliability continue to address these opportunities.

Processing Improvement — Currently the Stabilization & Packaging Equipment (SPE) team is exploring improving processing efficiency through modifying the material processing time and post stabilization test sequence. Results of this effort are expected in late March.

Life Cycle Cost Savings ¾ PFP plant management in conjunction with Pacific Northwest National Laboratory (PNNL), Protection Technology Hanford (PTH), and RL presented a new path forward to DOE-HQ that would allow the PFP to stabilize nuclear material under International Atomic Energy Agency (IAEA) Safeguards without direct IAEA involvement. This new idea, requiring approval by both the United States State Department and the IAEA, will result in significant economic life cycle savings.

Hanford Fire Department ¾ Representatives of the Fire Marshal's office continue to work with project and facility representatives in discussions about deviation requests. Currently a request from the Waste

Receiving and Packaging (WRAP) facility would avoid over \$800 thousand (1998 estimate) in WRAP facility upgrades to an area separation wall in Building 2336W. A request from T-Plant is being reviewed regarding a requirement to install a new door. A deviation request was recommended since the room served has two exits and does not usually hold more than 50 people. Use of administrative controls such as a fire warden when the room does contain more than 50 people would avoid the costs (estimated at \$10-\$15 thousand) to install a new door. These cost avoidances are in the review process at RL and pending approval.

Water Systems Upgrade $\frac{3}{4}$ Working jointly with RL, FH has evaluated several options with regard to upgrading the water delivery system for potential energy, maintenance, and operations efficiencies. It was recommended that the water pumps serving the export water system for the 100 Areas and the Plateau be replaced. This innovative approach will be funded using commercial and grant funds and will not only save an estimated 3,271,000 kwh per year, but will also save approximately \$270,000 per year and approximately \$7 million lifecycle costs.

Historical radiological assessment $\frac{3}{4}$ RL has directed FH to proceed with performing the historical radiological assessment for the Hanford Reach National Monument land and Washington Nuclear Plants Sites 1 and 4. A multicontractor team is mobilizing and will complete the assessment by the end of FY 2002.

ISSUES

Schedule for five Pressurized Water Reactor (PWR) fuel assembly shipments — Meeting the accelerated 324 schedule for five PWR fuel assembly shipments by September 30, 2002 vs. December 2002 necessitates recovering lost time. Currently the effort is 13 days behind schedule due to design/build contractor delays. Actions are under way to attempt schedule recovery.

TPA milestone date for March 30, 2002, for Fuel Transfer System (FTS) construction completion will be missed — Many aggressive efforts have been taken to establish June 1, 2002 as the recovery date. The construction activity for FTS is not on the critical path for the November 30, 2002 KE to KW fuel move; consequently, fuel movement activities remain on schedule.

Equipment reliability is a challenge for sustaining Spent Nuclear Fuel (SNF) movement — Continued equipment failures may negatively impact meeting fuel movement commitments. Several corrective actions are being implemented to help minimize the impact.

Shippingport fuel movement schedules and readiness to receive K Basin sludge are impacted by the Operations Readiness Review (ORR) delay $\frac{3}{4}$ The Fluor Hanford Contractor Readiness Review Team terminated the T Plant ORR due to significant concerns with respect to Conduct of Engineering and Conduct of Operations. The resulting delay impacts the schedule for transferring Shippingport Fuel to the SNF Canister Storage Building and T Plant's readiness to receive K Basin sludge. Development of a recovery plan and schedule is underway. The approved recovery plan will be implemented by March 22, 2002. The balance of T Plant production will be coordinated with SNF and rescheduled by April 2002.

ATG's financial status jeopardizes project performance and TPA milestones — Return shipments of treated non-thermal waste streams have been rescheduled to the week of March 11, 2002. Some of the debris wastes remain on hold for final processing (approximately 86 m³) until ATG receives approval to exceed the current operational authorization limit. The ATG Trustee met with FH contracts to discuss plans for operations and matters of contract need. It is clear that ATG needs additional waste contracts to begin recovery. Focus is on the MLLW Non-Thermal and LLW compaction lines. ATG has been requested by FH contracts to provide a needs list for both contracts. ATG has requested a meeting with FH to discuss these proposals the week of March 11, 2002. Funding for this FY remains an issue in any recovery actions. Alternatives continue to be considered with other commercial contracting entities under the "broad spectrum" contracts and on-site deployments.

There is no alternative moisture measurement system in place to support processing of plutonium alloys and impure oxides — Completion of solutions and polycube processing and stabilization activities will be delayed approximately two and one-half months. Three RL approved Thermogravimetric Analyzers (TGA) for use in 234-5Z have been procured and delivered. Installation is underway and is expected to be complete in late March. Following successful completion of the Standard Startup Review (SSR), startup operation of these TGAs is expected in early April.

Surface weld porosity of 3013 outer containers exceeds American Society of Mechanical Engineer (ASME) Boiler and Pressure Vessel Code, Section VIII standards for this material — Weld parameter changes (10 percent reduction in rotation speed and 50 percent reduction in can body chamber) were documented in welding procedures on February 8. PFP initiated a 25 can run on February 15 which was successfully completed. The Savannah River Technical Center (SRTC) completed an evaluation of the effect of weld porosity in the 3013 outer container. Authorization for resumption of Outer Can Welding was received on February 25 and restart is expected in early March. This issue is resolved and will no longer be reported.

EM CORPORATE PERFORMANCE MEASURES

This information is provided quarterly.

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.

300 Area Remediation

Spent Nuclear Fuel (SNF) Transfer — Decontaminate initial NAC-1 Cask and International Standards Organization (ISO) container by March 12, 2002. (This activity was slipped a week due to subcontractor delays).

300 Area Misc. Contaminated Facilities — Shutdown 333 Building fire protection system by March 2002.

Effluent Tank — Replace effluent tank by April 2002.

Treated Effluent Disposal Facility (TEDF) Database Servers — Upgrade TEDF database servers by April 2002.

TEDF Heating, ventilation, and air conditioning (HVAC) — Upgrade the TEDF HVAC control system by April 2002.

324/327 Buildings — Complete 26.5 percent remaining deactivation scope by June 30, 2002.

Contract Transition — Support transfer of FH scope to River Corridor Closure Contract (RCCC) on September 30, 2002, or 90 days preceding contract award.

Spent Nuclear Fuel

Site-wide Activities — Complete 200 Area Interim Storage Area (ISA) Readiness Assessments, Dry Runs/Operations Drills by March 2002.

K East (KE) and K West (KW) FTS Facility Modifications — Complete KE and KW facility modifications for the FTS System by April 4, 2002. (The March 15, 2002 expected completion date identified during the previous reporting period was extended due to the Facility Management Plan (FMP) and work package approval processes taking longer than planned).

Sludge Water System (SWS) — Complete KE in-basin equipment design 90 percent submittal by April 8, 2002.

KE and KW Fuel Transfer System (FTS) Annexes — Substantially complete by April 10, 2002. (The April 1, 2002 expected completion date identified during the previous reporting period, was extended due to weather delays and final subcontractor negotiations.)

T Plant Fuel Shipment — Ship first T Plant fuel to Canister Storage Building (CSB) in May 2002.

FTS Construction — Complete construction of FTS by June 1, 2002.

100K Deactivation — Complete walkdown and establish end point criteria for all SNF 100K Area facilities by June 30, 2002.

200 Area ISA Pad Readiness Status — Receive initial Light Water Reactor fuel in August 2002.

200 Area Remediation

200 Area Shutdown Facilities — Transfer PUREX and B Plant facilities from Bechtel Hanford (BHI) to FH by April to allow initiation of equipment removal.

Equipment Disposition Project — Ship the second and third of four tall well cars to Memphis, TN during the second quarter of 2002. Additionally, transfer three flat cars to the Low Level Burial Grounds.

200 Area Materials & Waste Management

Accelerate Readiness to Receive SNF K Basin Sludge — 1) Develop and implement a recovery plan from the terminated Operational Readiness Review (ORR) for Shippingport (PA) fuel, 2) Initiate Shippingport fuel movement, and 3) Accelerate T Plant Canyon cell cleanout.

Mixed Low Level Waste (MLLW) Treatment — Continue characterization and direct disposal activities. These include Plutonium Finishing Plant (PFP) High-efficiency particulate air (HEPA) filter and T Plant ventilator unit disposition, both of which should conclude in May 2002. Activities also include verification and void fill of backlog soils drums at T Plant.

Headspace Sampling Confirmatory Testing — Contractual direction was received from RL to complete confirmatory testing of the "gas-tight seal" headspace gas sampling method. The results of the confirmatory testing will be provided to Carlsbad Field Office (CBFO) to support submittal of a permit modification to the Waste Isolation Pilot Plant (WIPP) RCRA Permit. This permit modification is necessary to recover characterization data from 204 Transuranic (TRU) waste drums previously sampled using this method at Hanford. Initial testing has been completed with favorable results.

Waste Isolation Pilot Plant Waste Acceptance Criteria (WIPP WAC) Implementation — The proposed revision of the WIPP WAC is required to be implemented by May 17, 2002. The revision requires significant changes in the non-destructive assay and transportation activities of the TRU Program

affecting both Waste Receiving and Processing (WRAP) and PFP TRU waste processing. Contractual direction is required from RL.

TRU Waste Retrieval — Receive comments from RL on the Documented Safety Analysis (DSA) by March 31, 2002. Receive a Finding of No Significant Impact (FONSI) on TRU Retrieval Environmental Assessment from RL in March 2002.

Plutonium Finishing Plant (PFP) Support — Continue to support residues processing with shipment of the new Sand, Slag and Crucible waste stream through FY 2003.

300 Area Cleanup Support — Support the removal of a Curium/Americium source from the 327 Facility. Continue support to the 324 Fuels Removal Project.

Waste Encapsulation and Storage Facility (WESF) Operations — Continue Beneficial Uses Shipping System (BUSS) Cask lay-up. Complete removal of chemical lines in the Aqueous Makeup (AMU). Support the accelerated capsule disposition initiative.

Liquid Waste Processing — Continue groundwater processing at the 200 Area Effluent Treatment Facility (ETF) after completion of 242-A Cold Run Campaign at the end of March 2002. A 242-A Evaporator campaign is scheduled for late summer.

Plutonium Finishing Plant

Shipment of Hanford Ash — Complete the final shipment of Hanford Ash to the Central Waste Complex (CWC) in March to support early completion of the August 31, 2002 Tri Party Agreement (TPA) milestone (TRP-02-504). [All Pipe Overpack Container (POC) shipments to the Central Waste Complex (CWC) were suspended in February until completion of the review of the fire hazards analysis].

Outer Can Welder (OCW) operations — Restart OCW in early March. (Authorization for restart was granted on February 25th but required completion of an acceptance test, which was initiated in late February).

Solutions processing — Critical Mass Laboratory (CML) processing is now completing; pump failure before inventory impacted load-in and is delaying completion of CML material into March. Upon completion of CML processing, processing of non-typical solutions (lab nitrate, carbonate, flush material) will commence. Processing of Double Pass Filtrate material will follow in late March. Thermogravimetric Analyzer (TGA) installation will complete in early March and operation of the new TGAs will occur on April 3rd.

Direct discard material shipments ¾ Complete shipment of the final eight drums of direct discard material to the CWC in March to complete the March 31, 2002 TPA milestone (TRP-02-505) ahead of schedule.

Polycube processing ¾ Initiate startup of polycube processing in late March.