

PHMC CONTRACT OVERVIEW

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INTRODUCTION

This section of the report is intended to provide management with an executive-level overview of the most noteworthy performance information. Unless otherwise noted, all information is as of the end of January 2003.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely and cost-effective clean up; progress against the contract with RL; project cost summary analysis; overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

NOTABLE ACCOMPLISHMENTS

SPENT NUCLEAR FUEL

Fuel Movement Activities: During the reporting period, the project shipped 12 Multi-Canister Overpacks (MCOs) containing 53.41 Metric Tons of Heavy Metal (MTHM) from the K West Basin to the Cold Vacuum Drying Facility (CVDF). Cumulatively, a total of 189 MCOs containing 972 MTHM have been shipped.

Fuel Transfer System (FTS): The project successfully completed 25 FTS shipments (250 canisters) during January 2003. A cumulative total of 51 shipments (510 canisters) have been made to date. The project is approximately 120 canisters ahead of the baseline schedule.

Sludge Water System (SWS) construction at K East is 95 percent complete. The project has obtained RL approval of Construction Completion Document, Section 1a, *Completion of Construction and Construction Acceptance Testing*, and is working minor punch-list items. The Sludge Transportation System (STS) Number 1 is on-site at T-Plant and is undergoing T-Plant readiness activities.

Canister Cleaning Operations: The project cleaned 166 canisters from January 3 through February 3, 2003. A cumulative total of 1,613 canisters and 917 lids have been cleaned and removed from the basin. The project is 166 canisters ahead of schedule.

Multi-Canister Overpacks Welding at Canister Storage Building (CSB): The project completed weld validations and results are acceptable. Procedure validation and readiness preparations are nearly complete. The project is poised to commence MCO welding on schedule (February 3, 2003).

Central Plateau Remediation Project

300 Area Facility Transition: Submitted a Baseline Change Request (BCR) FH-2003-007 to extend work scope in the contract baseline through April 30, 2003.

Groundwater Management and Monitoring: Completed connection of well 199-K-126 to the KR4 pump-and-treat 18 days ahead of schedule (Tri-Party Agreement milestone M-16-28A).

Nuclear Materials Stabilization

Maintain Safe & Secure SNM: Initiated the first swap of International Atomic Energy Agency (IAEA) material from Vault 3 to appropriate process areas. At the end of January, 55 items had been transferred.

Maintain Safe & Compliant PFP: Completed installation of seven Canberra Continuous Air Monitors (CAM) in rooms 228C, 230A, and 230B. Completed D-5 Solution transfer to 244-TX Tank Farms on the scheduled due date of January 9, 2003.

Stabilization of Nuclear Materials:

- **Metals, Alloys, Oxides and Polycubes:** Thirty-seven polycube items were stabilized during the reporting period. As of January 26, 2003, a total of seven hundred eighty oxide items have been processed under the 2736-ZB facility work scope. The seven hundred eighty items processed surpassed the contract-to-date goal by sixty-eight items.
- **Residues:** During the reporting period, 30,781 grams of low grade Mixed Oxide (MOX) were packaged into 24 Pipe Overpack Containers (POCs). Eighteen POCs containing Sand, Slag and Crucible (SS&C) were shipped to the Central Waste Complex (CWC).
- **Outer Can Packaging:** A total of sixty-nine 3013 containers were produced during this reporting period. A total of one thousand sixty-one 3013 containers have been produced since starting the Outer Can Welder in April 2001.

Disposition of Nuclear Material: The Solid Waste Operations Organization over-packed thirteen 55-gallon transuranic (TRU) drums in preparation for shipment.

Transition 232-Z Facility: The 232-Z Notice of Construction (NOC) has been revised to address comments provided by the Washington State Department of Health (WDOH).

Transition 241-Z Facility: Interface Control Document (ICD) HNF-4486, Revision 1, was approved on January 20. This document defines the PFP and DST System responsibilities and commitments for ceasing discharges from 241-Z by June 30, 2005 (Tri-Party Agreement [TPA] milestone M83-31).

FFTF Closure Project

Sodium Removal System (SRS): The Core Component Grapple for the Closed Loop Ex-Vessel Machine (CLEM) was remotely assembled in the Interim Examination and Maintenance (IEM) cell following completion of washing to remove sodium deposits.

ART Program

NE Legacies Deactivation: Questions from prospective vendors for cleaning sodium residues from the 3718-M and Composite Reactor Component Test Activity (CRCTA) tanks were received; answers were provided to all prospective bidders. The bid due date is March 3, 2003, with contract award planned for mid-April.

Waste Management Project

Transuranic (TRU) Waste Retrieval: Awarded a Mobile Assay Contract to Mobile Characterization Services on January 13, 2003. The drum-venting Request for Proposal was also issued on January 13, 2003.

Mixed Low Level Waste (MLLW) Treatment: Completed seven shipments totaling 136 cubic meters (m³) of MLLW debris and radioactive lead solids to ATG, Inc (ATG). Received four MLLW shipments totaling 35m³ of macroencapsulated debris and radioactive lead solids from ATG. Treated 90.8m³ of macroencapsulated debris and radioactive lead solids (pre-treatment volume).

Landlord and Site Services

Fire Protection Program Assessment: The Hanford Fire Department completed the comprehensive response to the RL-performed assessment of the Fluor Hanford Fire Protection Program. The assessment concluded that the program meets or exceeds requirements.

Planning & Integration

RL and Fluor Hanford (FH) Joint Integrated Change Board: On January 29, 2003, a charter for a Joint Integrated Change Board was cooperatively developed between RL and FH. With the establishment of the charter, Baseline Change Requests and contract changes will be more effectively dispositioned.

FY 2003 Reporting Baseline Support: During January, Strategic Planning and Integration supported the FY 2003 Baseline deliverable. The final product was electronically delivered to RL as planned on January 30, 2003.

GOVERNMENT FURNISHED SERVICES/ITEMS (GFS/I)

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web site

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Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	Deliverable	Comments
GF0015	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 3 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	Formal direction as to the disposition path for 126 items requested by LLNL Commitment: 31 January 2003 Planned: 31 January 2003	DNFSB 1994-1/2000-1 Pu bearing materials stabilized and packaged Commitment: 18 February 2004 Planned: 18 February 2004	RL has received letter from LLNL, requesting that PEP ship 52 items to LLNL. RL letter is in the RL review cycle.
GF0016	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 3 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	If the disposition path for the 126 items is LLNL, LLNL must accept all material no later than 2/18/04 or relief will be granted from the 2/18/04 date. Further, if the disposition path is to LLNL, the SAFKEG SARP (CoC) must be approved. Commitment: 1 March 2003 Planned: 1 March 2003	DNFSB 1994-1/2000-1 Pu bearing materials stabilized and packaged Commitment: 18 February 2004 Planned: 18 February 2004	On schedule.

GFS/I, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	Deliverable	Comments
GF0022	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.3 SNM Stabilize SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 3 • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 4 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003 Planned: 28 February 2003		SARP at HQ for review. Anticipate HQ approval ~ 3/15/03.
GF0020	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.4 Disposition SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 4 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	Approve Supplement Analysis and Record of Decision amendment for PFP Weapon Grade and Fuel Grade material. Commitment: 28 February 2003 Planned: 28 February 2003	Special nuclear material transferred to Savannah River Site or DOE approved interim storage Commitment: 30 September 2005 Planned: 30 September 2005	On schedule. Documentation ready for issuance for 30-day comment period.
GF0023	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.4 Disposition SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 4 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	At least 75 9975s certified over packs will be made available to PFP from Rocky Flats. Commitment: 28 February 2003 Planned: 28 February 2003	Special nuclear material transferred to Savannah River Site or DOE approved interim storage Commitment: 30 September 2005 Planned: 30 September 2005	Rocky Flats (RF) has agreed to supply two 9975s to Hanford for training and shipping. RF believes additional 9975s will be made available in April/May.
GF0024	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.4 Disposition SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 4 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	Obtain SAFKEG Certificate of Compliance. Commitment: 1 March 2003 Planned: 1 March 2003	Special nuclear material transferred to Savannah River Site or DOE approved interim storage Commitment: 30 September 2005 Planned: 30 September 2005	On schedule.
GF0025	C.2.2.1.2 Plutonium Finishing Plant (PEP) Cleanup	WBS 3.3.3.4 Disposition SNM	• Nuclear Material Stabilization	<ul style="list-style-type: none"> • DE-AC06-96RL13200, SEC. C.2.2.1.2, Row 4 • DE-AC06-96RL13200, Section J, Appendix D, PLS-3, Attachment 1, GFS/GFI 	Approve SRS/RL Shipper/Receiver Plan Commitment: 31 January 2003 Planned: 31 January 2003	Special nuclear material transferred to Savannah River Site or DOE approved interim storage Commitment: 30 September 2005 Planned: 30 September 2005	Still at Westinghouse SRS. RL has been contacted to assist in moving this issue to completion.

GFS/I, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	Deliverable	Comments
GF0078	C.3.10 Low-Level Waste Burial Grounds (LLBG)	WBS 3.3.2.4 TRU Program Retrieve Suspect TRU from LLBG	• Waste Management	• DE-AC06-96RL13200, SEC. C.3.10, Row 3 • DE-AC06-96RL13200, Section J, Appendix D, PLS-4, Attachment 2, GFS/GFI	Approve key decision documents. Commitment: 15 March 2003 Planned: 15 March 2003		
GF0079	C.3.11 Mixed Waste Disposal Trenches (MWDI)	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste	• Waste Management	• DE-AC06-96RL13200, SEC. C.3.11, Row 1 • DE-AC06-96RL13200, Section J, Appendix D, PLS-4, Attachment 2, GFS/GFI	Authorize disposal of some of the MLLW off the Hanford Site (e.g., Envirocare). Commitment: 31 December 2002 Planned: 31 December 2002		Complete
GF0080	C.3.11 Mixed Waste Disposal Trenches (MWDI)	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste	• Waste Management	• DE-AC06-96RL13200, SEC. C.3.11, Row 1 • DE-AC06-96RL13200, Section J, Appendix D, PLS-4, Attachment 2, GFS/GFI	Approve the 200 ETF Delisting Modification Petition for acceptance of unrestricted F039 multi-source leachate for Hanford's RCRA Subtitle-C disposal units. Commitment: 31 January 2003 Planned: 31 January 2003		ISSUE: Impending impact, assuming date is missed, request recovery plan w/ revised date. (PI) S-4 (1b) FH-0300381
GF0097	C.5.3 Management Products and Controls	WBS 3.4.1.1 Budget & Performance Analysis Contract Reporting	• Strategic Planning & Integration	• DE-AC06-96RL13200, SEC. C.5.3, Row 4	Formal direction and guidance for reporting of EM Corporate Performance Measures by 31 January 2003. Commitment: 31 January 2003 Planned: 31 January 2003		

CONTRACT DELIVERABLES

Listed below are the current FH contract deliverables. Only data for the next 30 days (including any open deliverables from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web-site

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CONTRACT DELIVERABLES, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	GFS/GFI	RL Letter No. & Date Completed	Comments
CD0085	C.3.4 T-Plant	WBS 3.3.2.3 Solid Waste Treatment Facility Receive and Store SNF Sludge	• Waste Management	• DE-AC06-96RL13200, SEC. C.3.4, Row 3	T Plant ready to receive the first canister of K Basin floor pit sludge (M-091-20) Commitment: 31 December 2002 Planned: 31 December 2002				
CD0169	C.5.3 Management Products and Controls	Contract Reporting	• Strategic Planning & Integration	• DE-AC06-96RL13200, SEC. C.5.3, Row 4	PHMC Performance Report (Monthly)				
					Environmental Mgmt Performance Report (2/2003) Planned: 10 February 2003	FH-9953093R94 06 February 2003			
					Environmental Mgmt Performance Report (3/2003) Planned: 17 March 2003				Delivering draft to RL March 6, 2003 as planned; Final to RL on schedule for March 17

FY 2003 SCHEDULE/COST PERFORMANCE (\$M)

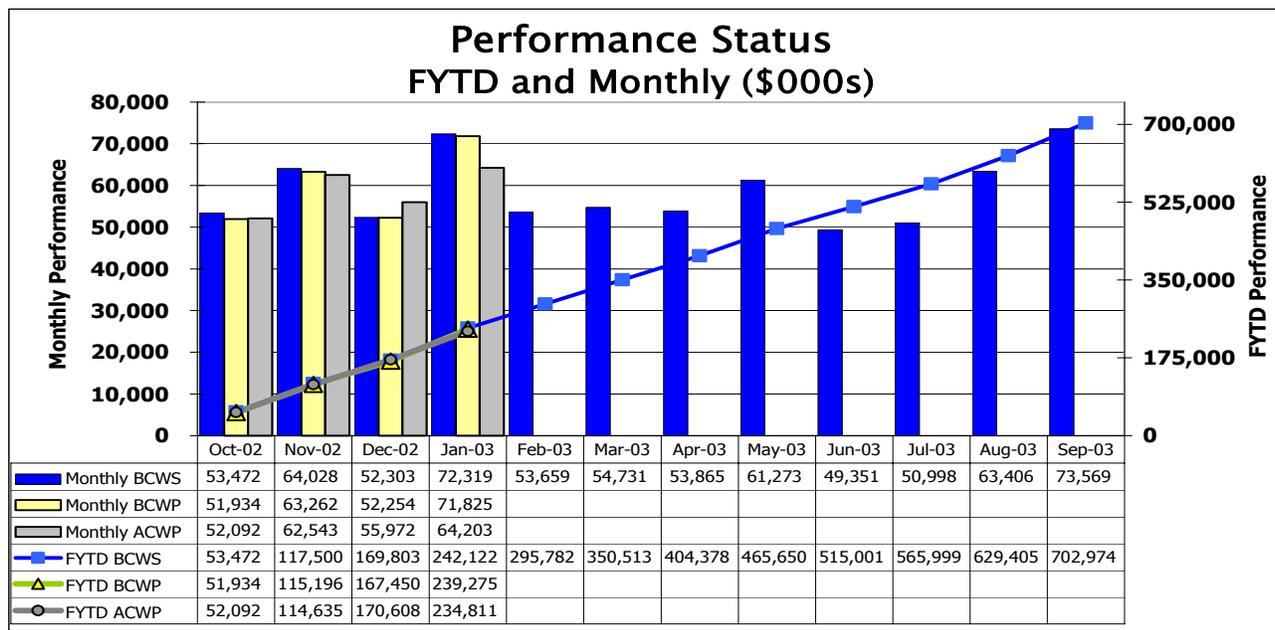
The following provides a brief synopsis of overall PHMC contract cost/schedule performance.

SCHEDULE PERFORMANCE: FYTD schedule performance reflects a -1% (-\$3 million) unfavorable schedule variance. The established threshold is +/-10% and \$1M. Subprojects outside the threshold are the Work for Others/Requests for Services (Section I).

Cost Performance: FYTD cost performance reflects a 2% (\$4 million) favorable cost variance. The established threshold is +/-10% and \$1M. Subprojects outside the threshold include Landlord and Site Services (Section G) and Site Systems and Regulatory Analysis (Section H). These favorable variances are offset by an unfavorable variance in Work for Others/National Programs (Section I). Detailed variance analysis explanations may be found in the applicable project sections.

PERFORMANCE STATUS FISCAL YEAR TO DATE (\$M)

			Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion
River Corridor Restoration										
3.1.3	RC03	Advanced Reactor Transition	\$0	\$0	\$0	\$0	0%	\$0	-62%	\$2
3.1.6	RC06	300 Area Facility Transition	\$10	\$10	\$10	\$0	-2%	\$0	3%	\$12
Subtotal River Corridor Restoration			\$11	\$10	\$10	\$0	-2%	\$0	1%	\$14
River Corridor & Spent Nuclear Fuel										
3.2.1	RS01	South Hanford Industrial Area Clean Up	\$0	\$0	\$0	\$0	59%	\$0	38%	\$0
3.2.3	RS03	Spent Nuclear Fuel	\$67	\$67	\$67	\$0	0%	\$0	0%	\$150
Subtotal River Corridor & SNF			\$67	\$67	\$67	\$0	0%	\$0	0%	\$150
Central Plateau Transition										
3.3.1	CP01	200 Area Remediation	\$11	\$11	\$12	\$0	-2%	-\$1	-7%	\$30
3.3.2	CP02	200 Area Materials & Waste Management	\$34	\$33	\$32	\$0	-1%	\$1	3%	\$128
3.3.3	CP03	Plutonium Finishing Plant	\$32	\$32	\$32	-\$1	-2%	\$0	0%	\$110
Subtotal Central Plateau Transition			\$77	\$76	\$76	-\$1	-2%	\$0	0%	\$269
Site Integration & Infrastructure										
3.4.1	SS01	Site Systems & Regulatory Analysis	\$7	\$7	\$6	\$0	-1%	\$1	17%	\$24
3.4.2	SS02	Landlord & Site Services	\$20	\$21	\$18	\$0	2%	\$3	13%	\$71
3.4.3	SS03	Groundwater Management & Monitoring	\$6	\$6	\$6	\$0	-1%	\$0	4%	\$22
3.4.4	SS04	Groundwater/Vadose Zone Protection	\$1	\$1	\$1	\$0	-7%	\$0	4%	\$3
3.4.6	SS-D	Safeguards & Security	\$14	\$14	\$14	\$0	0%	\$1	4%	\$44
Subtotal Site Integration & Infrastructure			\$48	\$49	\$44	\$0	1%	\$5	10%	\$164
Site Stewardship										
3.5.1	SC01	Near Term Stewardship	\$1	\$1	\$1	\$0	0%	\$0	11%	\$3
Subtotal EM Work Scope			\$203	\$202	\$197	-\$1	-1%	\$5	3%	\$600
Subtotal Non-EM Work Scope										
1.1	National Programs (T&P, WM)		\$0	\$0	\$0	\$0	0%	\$0	-201%	\$0
2.1.1.1.21	FFTF Project		\$13	\$13	\$13	-\$1	-5%	\$0	-3%	\$38
2.1, 2.2, 2.9	RFS/DOE-Directed		\$1	\$1	\$2	-\$1	-146%	-\$2	-321%	\$2
2.3	Work for Federal Agencies		\$3	\$3	\$2	\$0	0%	\$0	17%	\$8
2.4	Work for Non-Federal Agencies		\$1	\$1	\$0	\$0	0%	\$1	87%	\$1
2.5	Inter-DOE Work Orders		\$2	\$2	\$1	\$0	0%	\$1	65%	\$2
2.6.2	Work from PNNL		\$2	\$2	\$2	\$0	0%	\$1	24%	\$6
2.6.3	Work from BHI		\$1	\$1	\$1	\$0	0%	\$1	46%	\$2
2.6.8	Work from CH2M		\$15	\$15	\$17	\$0	0%	-\$1	-10%	\$43
2	Other Work for Others		\$0	\$0	\$1	\$0	147%	\$0	294%	\$1
Subtotal Non-EM Work Scope			\$39	\$37	\$38	-\$1	-4%	-\$1	-2%	\$103
Total FH Contract Work scope			\$242	\$239	\$235	-\$3	-1%	\$4	2%	\$703



MILESTONE PERFORMANCE

Milestones represent significant events in project execution. Milestones are established to provide high level visibility to critical deliverables and specific status on 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 contract.

Fiscal year milestone performance (Enforceable Agreement [EA], U.S. Department of Energy-Headquarters [DOE-HQ], and RL) shows that seven milestones were completed on or ahead of schedule and four milestones are overdue.

The overdue enforceable agreement milestones are Tri-Party Agreement (TPA) Milestone M34-08, Initiate Full Scale KE Basin Sludge Removal, forecast to be complete April 11, 2003 (detailed in Section B); M-91-12A, Treat 240 Cubic Meters by 12/31/2002 that is being renegotiated between the TPA parties; and M-91-20, T-Plant ready to receive canister of K-Basin floor pit sludge where a recovery plan is being worked with RL. These last two are detailed in Section F. The overdue RL milestone is S04-00-205, CD4/Complete Operational Readiness Review sludge transfer from K Basins forecast to be complete April 11, 2003 (detailed in Section B).

FY 2003 milestone information is based upon the January 30, 2003 baseline as updated for RL approved changes. 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.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			Total FY 2003
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	6	0	1	3	5	3	0	18
DOE-HQ	1	0	0	0	0	0	0	1
DOE-RL	0	0	0	1	0	1	0	2
Total FH	7	0	1	4	5	4	0	21

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in occurrence rates are due to the efforts of the PHMC workforce as they implement the Integrated Environmental Safety & Health 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 below. The safety charts are reported according to OSHA standards.

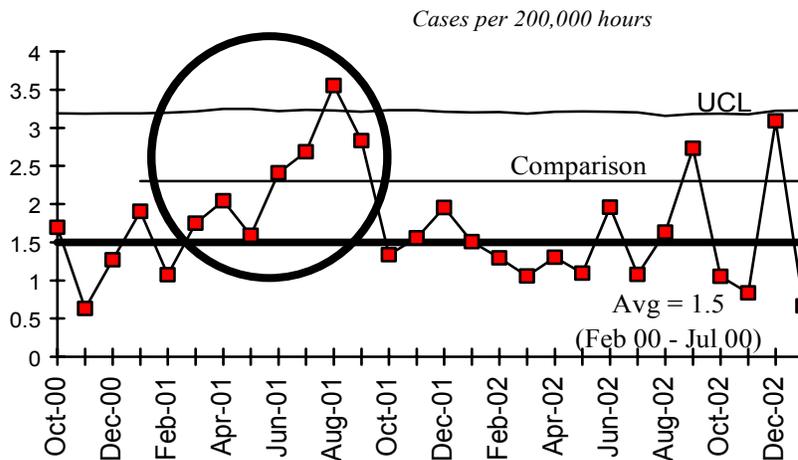
SIGNIFICANT SAFETY AND HEALTH EVENTS

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: The January Recordable rate was 0.66, which is below the Fluor Corporate goal of 0.85 cases per 200,000 hours worked.

Days Away From Work (DAFW) Case Rate: The FH Team exceeded 1,516,000 safe work hours at the end of January. The DAFW average was rebaselined again after two more DAFW case reclassifications. The new DAFW baseline average is 0.12, still less than the DOE calendar year 2001 rate of 0.45.

DOE Safety Cost Index: The current baseline is 4.7 cents per hour, less than the DOE CY 2001 rate of 9.7. Injuries that were classified as restricted in November and December are still gaining days. Cases during this timeframe will be reviewed to determine if follow-up medical exams are being performed.

Total OSHA Recordable Case Rate

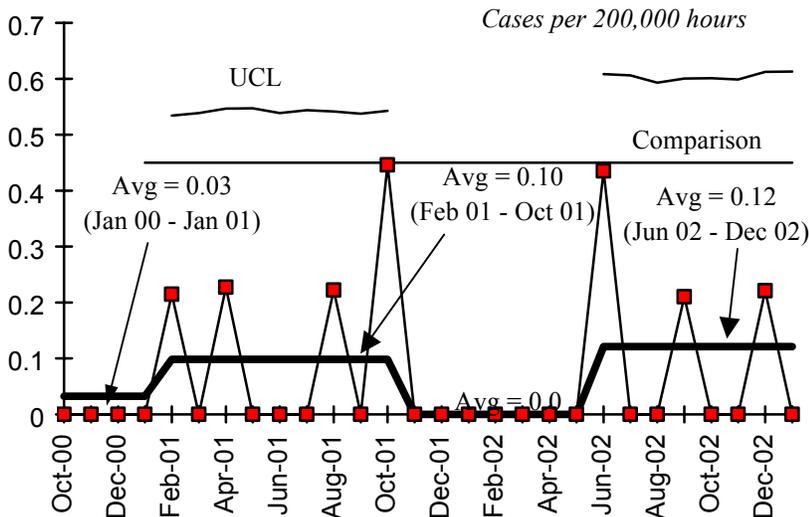


FY 2002 = 1.5
 FY 2003 = 1.4
 DOE Complex Comparison
 Average = 2.3 (CY01)

The FH Team OSHA Recordable Rate remains stable at the 1.5 baseline average.

Increased focus on workplace safety and project safety improvement plans is ongoing.

OSHA Days Away From Work Case Rate

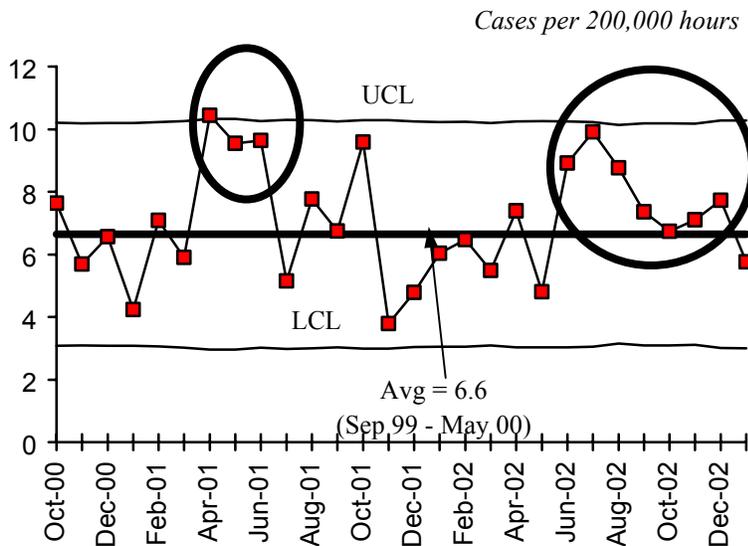


FY 2002 = 0.09
 FY 2003 = 0.05
 DOE Complex Comparison Average = 0.45 (CY01)

Two additional cases have been reclassified during Calendar Year 2002, raising the baseline rate from 0.06 to 0.12.

The Safe Hours total is currently 1.5 million hours.

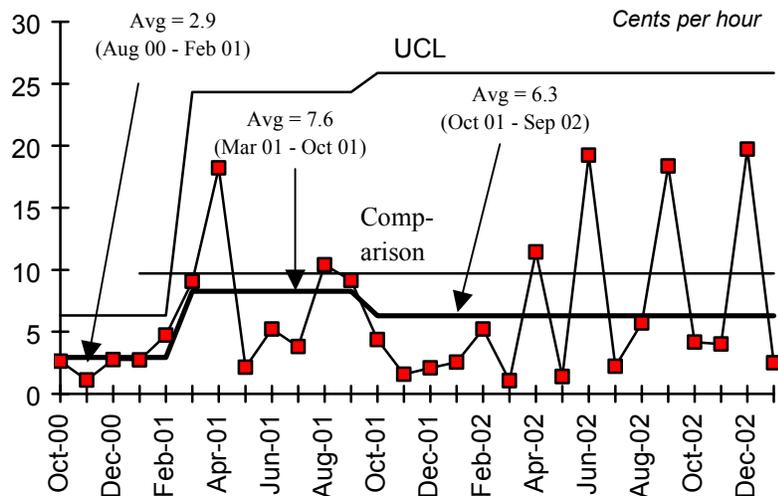
First Aid Case Rate



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 for 2002. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire in June 2000. First Aid case rate has remained relatively predictable.

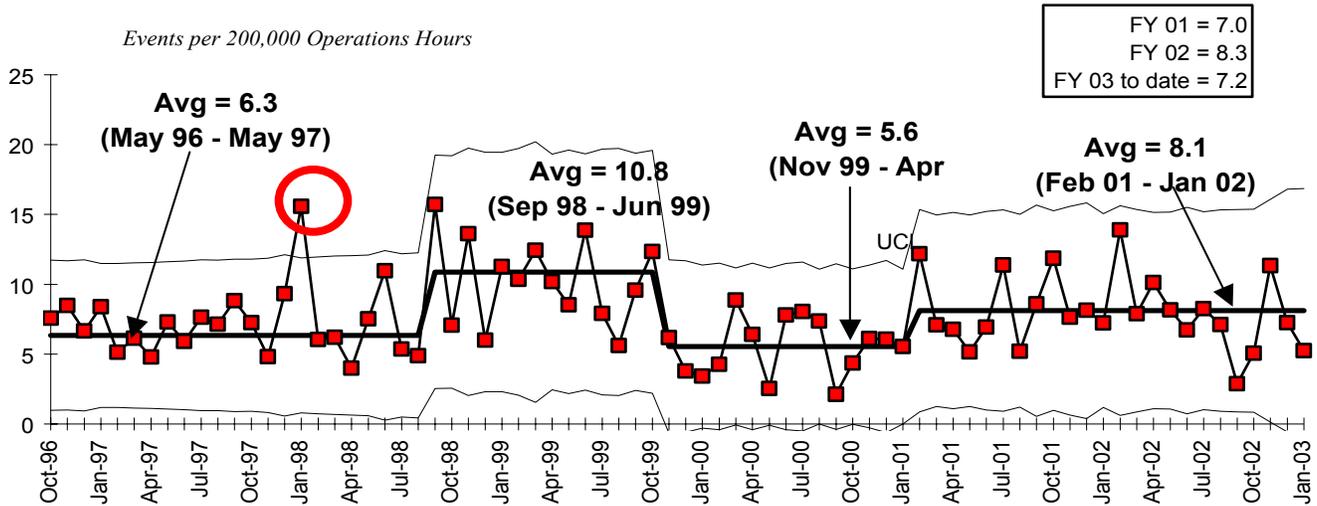
Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the routine cyclical trends in the data.

DOE Safety Cost Index



FY 2002 = 6.3
 FY 2003 = 7.5
 DOE Complex Comparison = 9.71
 The current baseline was adjusted again due to growth in the number of days on cases within the baseline. Current baseline is 6.3 cents per hour, still less than the DOE CY 2001 rate of 9.7. FH has reviewed past Restricted Work cases that are still incurring restricted time, and has referred several for medical reevaluation.

Conduct of Operations



FY 2003 FH FUNDS VS. SPEND FORECAST (\$000)

This chart reflects the FH organizational 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).

Project	PBS	Funding Guidance FY 2003	January FY 2003 Fiscal Year Spend Forecast	Funding Guidance vs Spend Forecast		
				Project Completion	Post 2006	Other
Spent Nuclear Fuel	RS03	\$149,695	\$150,900	(\$1,205)		
Nuclear Material Stabilization	CP03	\$110,000	\$112,428	(\$2,428)		
Central Plateau Remediation	RC06	\$18,652*	\$16,733	\$1,919		
	CP01	\$30,466	\$30,738		(\$272)	
	RS01	\$192	\$187			\$5
	SS03	\$22,283	\$22,269			\$14
	SS04	\$3,349	\$3,223			\$126
	SC01	\$2,523	\$2,520			\$3
	Subtotal CP	\$77,465	\$75,670	\$1,919	(\$124)	\$0
Waste Management	CP02	\$128,000	\$122,538	\$5,462		
Hanford Site Operations	SS02	\$70,828	\$70,509	\$319		
	SS-D	\$44,407	\$44,618			(\$211)
	Subtotal HSO	\$115,235	\$115,127	\$319	\$0	(\$211)
Site Integration	SS01	\$23,630	\$20,572		\$3,058	
SUBTOTAL EXPENSE		\$604,025	\$597,235	\$4,067	\$2,934	(\$211)
Advanced Reactor	RC03	\$2,124	\$1,903			\$221
Fast Flux Facility (EX03)	CP04	\$38,449	\$38,448			\$1
SUBTOTAL OTHER		\$40,573	\$40,351			\$222
TOTAL		\$644,598	\$637,586	\$4,067	\$2,934	\$11

* Funding increased by \$6,495 per RL approved BCR FH-2003-007 on February 18, 2003 to reflect delay in scope transfers to the River Corridor Contractor.

ISSUES

Spent Nuclear Fuel

SNF SWS: Tri-Party Agreement Milestone (M-34-08) to begin K East sludge movement by December 31, 2002, is behind schedule. The project is working to a revised schedule date of April 11, 2003.

Fuel Transfer System (FTS) Shipments: Removal of all K Basin fuel by July 31, 2004 from the basins is based upon the completion of FTS shipments by January 31, 2004. Actions are underway to increase staff and to improve the responsiveness of Engineering and Maintenance to equipment problems.

K West Equipment Reliability: Removal of all K Basin fuel by July 31, 2004 requires over 80 percent availability of K West fuel processing equipment. That equipment is demonstrating increased failure rates. Reliability, Availability and Maintainability (RAM) engineering personnel continue to focus on the reliability of the project's high-priority equipment.

Nuclear Materials Stabilization

Shipment of the first 3013 containers to Savannah River Site (SRS): FH is working with DOE (RL, HQ and SRS) to resolve and complete all activities needed to make the first shipment of material from PFP to SRS.

Fast Flux Test Facility Closure Project

FFTF Shutdown Delay until March 12, 2003: Further activities to dismantle the FFTF are on hold until March 2003 due to pending litigation from Benton County against RL.

Waste Management Project

T Plant Readiness to Receive K Basin Sludge: There is a potential impact to achieving readiness for K Basin Sludge receipt. Management Readiness Assessment will start March 21, 2003. T Plant expects to receive authorization to begin sludge receipt on or before April 10, 2003.

Low Level Burial Ground (LLBG) Trench Capacity: Disposal capacities for Low Level Waste (LLW) will be impacted in FY 2003 due to delays of National Environmental Policy Act (NEPA) documentation approval. The interim Environmental Assessment (EA) path agreed to by RL is in process. New trench capacity is scheduled to be available July 1, 2003 although the schedule is being evaluated based upon RL delays.

TRU Accelerated Process Line (APL): Install APLs and begin operations at assumed rates as soon as possible. FH proposed that the APL deployment action could be covered under a Categorical Exclusion (CX) and will provide RL a completed CX by March 10, 2003. This will allow a decision by the Carlsbad Field Office on APL delivery dates.

Mixed Waste Performance Incentive: Establish commercial mixed waste treatment capabilities to meet the contract Performance Incentive. FH is preparing a thermal de-sorption technology demonstration at Perma-Fix to be issued by February 14, 2003 allowing the first waste to ship the first week in March. FH is evaluating impacts with current Tri-Party Agreement milestone M-91 renegotiations.