



**U.S. Department of Energy
Hanford Site**

SEP 24 2014

14-HAB-0027

Mr. S. E. Hudson, Chair
Hanford Advisory Board
Enviroissues Hanford Project Office
713 Jadwin, Suite 4
Richland, Washington 99352

Dear Mr. Hudson:

HANFORD ADVISORY BOARD (HAB) JUNE 5, 2014, CONSENSUS ADVICE #276 "2014 LIFECYCLE SCOPE, SCHEDULE, AND COST REPORT (LIFECYCLE REPORT)"

Thank you for Advice #276 and for your interest in the 2014 Lifecycle Scope, Schedule and Cost Report (Lifecycle Report). The U.S. Department of Energy and the Tri-Party Agreement (TPA) agencies appreciate your taking the time to read and comment on the Lifecycle Report. Production on the 2015 Lifecycle Report is beginning and your comments will be considered in that process.

Below are specific responses to your advice:

Advice Point #1: The Board advises that DOE include a variety of Hanford funding scenarios that show the negative impact of reduced budgets on out-year cleanup schedules (e.g., the effect of \$2 billion flat funding through successful completion of cleanup). The next version of this report should clearly explain the added costs that will be incurred if that additional funding is not provided.

Response: The content and purpose of the Lifecycle Report follow the direction of TPA Milestone M-36-01. That milestone language does not include direction to provide multiple or reduced funding scenarios – only the "full compliance" planning case; therefore, this advice cannot be acted upon.

Advice Point #2: The Board advises that the Lifecycle Report be changed to recognize that national, permanent, high-level waste storage in a deep geologic repository is unlikely in the near-term. Since the repository was put on hold four years ago, the Lifecycle Report should reflect alternate plans and estimates for temporary on-site storage.

Response: The Lifecycle Report is not a regulatory decision-making document. By design, and via language in TPA Milestone M-036-01, the Lifecycle Report only shows planning cases for existing regulatory decisions; therefore, this advice cannot be adopted.

Advice Point #3: The Board advises the Tri-Party agencies to provide preliminary cost estimates for remaining cleanup actions.

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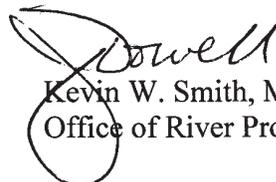
Response: The Lifecycle Report planning case includes cost estimates for all cleanup actions, with or without final decisions. For those cleanup actions that do not have a final decision in place, the TPA agencies review a list of actions (Table A-6) each year for possible inclusion in the Lifecycle Report as an “alternative analysis.” For the 2014 Lifecycle Report, the TPA agencies decided, collectively, to forgo an alternative analysis – citing level of effort versus benefits and insights gained, and the timing of anticipated regulatory decisions. This same process led the TPA agencies to not pursue an alternative analysis as part of the 2015 Lifecycle Report. Uncertainty with regard to specific clean-up actions currently planned and concern for consistency with ultimate records of decision, along with other project risks and uncertainties, are continuously evaluated as part of project risk management and reflected as appropriate in the contingency analysis represented in the cost ranges in the report.

Advice Point #4: The Board advises the Tri-Party agencies to assess the value of issuing annual Lifecycle Reports when baseline schedules have not changed.

Response: The Lifecycle Report is a required TPA Milestone M-036-01. The TPA agencies discussed modifying the Lifecycle Report frequency but decided that at this time no changes to the milestone were needed.

Thank you again for your advice on this subject. If you have any questions, you may contact us or you may contact Kristen Skopeck at (509) 376-5803.


Doug S. Skoop, Acting Manager
Richland Operations Office


Kevin W. Smith, Manager
Office of River Protection
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cc:

D. Borak, EM-3.2
D. A. Faulk, EPA
J. A. Frey, RL/ORP-DDFO
M. A. Gilbertson, EM-10
T. Gilley, Enviroissues
J. A. Hedges, Ecology
W. M. Levitan, EM-10
C. McCague, Enviroissues
T. L. Sturdevant, Ecology
S. G. Van Camp, EM-23
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