

# HANFORD ADVISORY BOARD

*A Site Specific Advisory Board, Chartered under the Federal Advisory Committee Act*

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US Environmental  
Protection Agency  
Washington State  
Dept of Ecology

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**Hanford Project Office**

713 Jadwin, Suite 3  
Richland, WA 99352  
Phone: (509) 942-1906  
Fax: (509) 942-1926

June 5, 2014

Doug Shoop, Acting Manager  
U.S. Department of Energy, Richland Operations  
P.O. Box 550 (A7-75)  
Richland, WA 99352

Kevin Smith, Manager  
U.S. Department of Energy, Office of River Protection  
P.O. Box 450 (H6-60)  
Richland, WA 99352

Dennis Faulk, Manager  
U.S. Environmental Protection Agency, Region 10  
309 Bradley Blvd., Suite 115  
Richland, WA 99352

Jane Hedges, Manager  
Washington State Department of Ecology  
3100 Port of Benton Blvd.  
Richland, WA 99354

Re: 2014 Lifecycle Scope, Schedule and Cost Report

Dear Messrs. Shoop, Smith, Faulk and Ms. Hedges,

## **Background**

The Hanford Advisory Board (Board) appreciates the opportunity to comment on the 2014 Hanford Lifecycle Scope, Schedule and Cost Report (Lifecycle Report). The Lifecycle Report should be the single document that best provides a complete fiscal picture of the Hanford cleanup mission's cost, schedule and long-term stewardship once cleanup is complete. It should also provide an historical picture of the cleanup mission to the public. This report, assuming it contains the complete total budget requirements for Hanford cleanup, should be the foundation for budget requests from the U.S. Department of Energy (DOE) - Richland Operations Office and the DOE - Office of River Protection to DOE-Headquarters annually.

Today we are facing both DOE requests to Congress and appropriations that are significantly lower than the estimates provided in the Lifecycle Report. The impacts of these cuts are significant on several levels and increase the ultimate cost of cleanup to the American taxpayer. The Board believes that it is time for the federal government to commit to completing the mission at Hanford. Any reduction of funding impacts completion of projects and the ability to start new projects. In

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addition, this adds cost escalations to existing projects, and affects the ability to meet legally required milestones in the Consent Decree or the Tri-Party Agreement (TPA) as amended.

The funding profile in the current Lifecycle Report reflects a significant funding increase in the Hanford budget. In out years Fiscal Year (FY) 2015 through FY 2041, the budget is as much as \$2 billion higher than it is today. If the budget figures remain at the current level, the completion dates could be extended out an additional 20 to 30 years. The Lifecycle Report does not estimate these additional costs that would be incurred because of these delays, although this is ostensibly a significant purpose of the Lifecycle Report.

A number of assumptions listed within the document seem unrealistic, and result in a further underestimating of the costs necessary for cleanup. For example, a key assumption in all versions of the Lifecycle Report is that the double-shell tanks will remain fully operational for the 40-year duration of the waste treatment mission. The discovery of a leak in the inner liner of AY-102 in 2012 undercuts this assumption, complicates contingency planning, and the costs for tank retrieval.

Due to the construction problems identified with AY-102 and with several other DSTs<sup>1</sup>, and the continuing delays with the Waste Treatment Plant, the FY 2015 Lifecycle Report should include estimates from a revised DOE baseline. One year ago, the Board recommended that DOE should be planning for additional storage capacity.

Since FY 2013, actual funding has been significantly lower than funding profiles provided in the annual Lifecycle Reports. As noted previously, the Lifecycle Report funding profiles are built on meeting the Consent Decree and TPA milestones. Therefore, if full funding is not provided, milestone commitments will be missed. The Board is concerned that DOE has not revised the FY 2014 Lifecycle Report schedules as requested by the Board in a letter sent in December of 2013.

#### **Advice**

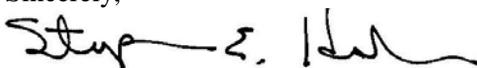
- The Board advises that DOE include a variety of Hanford funding scenarios that show the negative impact of reduced budgets on out-year cleanup schedules (e.g. the effect of \$2 billion flat funding through successful completion of cleanup). The next version of this report should clearly explain the added costs that will be incurred if that additional funding is not provided.
- 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, this Lifecycle Report should reflect alternative plans and estimates for temporary on-site storage.
- The Board advises the Tri-Party agencies to provide preliminary cost estimates for remaining cleanup actions.

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<sup>1</sup> Tanks AY-101, AZ-101 and 102, and SY-101, 102 and 103

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

Sincerely,



Steve Hudson, Chair  
Hanford Advisory Board

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*This advice represents Board consensus for this specific topic. It should not be taken out of context to extrapolate Board agreement on other subject matters.*

cc: Jeff Frey, Deputy Designated Official, U.S. Department of Energy Richland Operations Office  
David Borak, U.S. Department of Energy, Headquarters  
The Oregon and Washington Delegations