

Section A

Executive Summary

INTRODUCTION

This section provides an executive level summary of the performance information covered in this report and is intended to bring to Management's attention that information considered to be most noteworthy. All cost, schedule, milestone commitments, performance measures, and safety data is current as of May 31. Accomplishments, Issues and Integration items are current as of June 12 unless otherwise noted.

The section begins with a description of notable accomplishments that have occurred since the last 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. Overviews of safety ensue. The next segment of the Executive Summary, entitled Critical Issues, is designed to identify the high-level challenges to achieving cleanup progress.

The next section includes FY 2000 EM Management Commitment High Visibility Project Milestones and Critical Few Performance Measures.

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.

NOTABLE ACCOMPLISHMENTS

- The first TRUPACT-II shipping container has been loaded and leak tested. Thirty-three drums have been loaded for shipment in three TRUPACT-II shipping containers. The TRUPACT-IIs will remain loaded and "ready for shipment" pending resolution of the New Mexico Environment Department issues.
- The Hanford Mixed Waste Management Program Implementation Plan for the Ecology Final Determination on Land Disposal Restriction (LDR) was approved on June 12, 2000.
- The 242A Evaporator campaign (scheduled for completion May 8) completed on May 5. The campaign processed 1.3 million gallons of high-level radioactive waste with an all-time high operational efficiency of 99.3%.
- As of June 16, 2000 a total of 290 cans of Plutonium oxides and sludges have been stabilized through thermal stabilization (35 additional items since last report).
- Good progress was made toward closeout of the actions required by the B Plant transfer Memorandum of Agreement (MOA). There are a few issues remaining, to include aerosol challenge test of the north filter train and restart of the B Plant exhaust system by July 28, 2000.
- Twelve grout containers of the planned seventeen have now been shipped to the Low-level Burial Grounds in the 200 Area. Shipment of this waste is critical to meeting TPA milestone M-89-02, "Complete Removal of 324 Building Radiochemical Engineering Cell (REC) B Cell Mixed Waste (MW) and Equipment," due November 2000.
- The second shipment of six Multi-Canister Overpacks (MCOs) was received from Joseph Oat, Inc. ahead of schedule.

PERFORMANCE DATA AND ANALYSIS

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

FY 2000 Cost and Schedule Performance

Cost Performance — Fiscal-year-to-date (FYTD) cost performance reflects a four percent (\$14.0 million) unfavorable cost variance that is within the established +10/-5 percent threshold.

Schedule Performance — There is a FYTD six percent (\$23.3 million) unfavorable schedule variance that is at the established +10/-7.5 percent threshold.

Data Through May 2000

	Current Fiscal Year Performance (\$ x Million)					PEM	FYSF	EAC
	FYTD			Schedule Variance	Cost Variance			
	BCWS	BCWP	ACWP					
The Plateau								
1.2 Waste Management TP02,WM03-05	69.4	67.2	67.9	(2.2)	(0.6)	107.1	108.2	108.2
1.2.4 Analytical Svcs (222-S,HASP,WSCF) WM06	18.3	18.0	19.1	(0.3)	(1.1)	27.1	27.6	28.0
1.4.5 Nuclear Materials Stabilization TP05	85.3	70.1	80.3	(15.2)	(10.2)	124.1	121.9	127.5
Subtotal The Plateau	173.1	155.4	167.3	(17.7)	(11.9)	258.4	257.7	263.7
The River								
1.4 River Corridor TP01,TP04,TP08,TP10,TP12,TP14	39.1	39.6	37.0	0.5	2.6	60.3	58.9	59.1
1.3 Spent Nuclear Fuel WM01	139.7	139.8	144.9	0.1	(5.1)	197.2	201.3	201.3
1.12 Advanced Reactors (EM)	1.0	1.0	0.9	(0.0)	0.1	1.7	1.1	1.3
Technology Development (EM-50)	13.3	12.2	11.4	(1.1)	0.8	22.8	22.9	22.9
Subtotal The River	193.1	192.5	194.2	(0.6)	(1.6)	282.1	284.2	284.5
The Future								
1.9 HAMMER HM01	4.0	3.7	3.6	(0.2)	0.1	5.9	5.9	5.9
Subtotal The Future	4.0	3.7	3.6	(0.2)	0.1	5.9	5.9	5.9
Multiple Outcomes								
1.5 Landlord TP13	8.0	7.4	5.4	(0.7)	2.0	14.1	12.2	13.9
1.8 Mission Support OT01, OT04	25.6	21.3	24.6	(4.4)	(3.3)	45.6	47.0	46.9
1.11 & WM07 National Programs OT02, WM07	3.0	3.3	2.4	0.2	0.8	5.8	4.6	6.1
Subtotal Multiple Outcomes	36.7	31.9	32.4	(4.8)	(0.5)	65.5	63.8	67.0
Total PHMC Projects	406.9	383.6	397.5	(23.3)	(14.0)	611.8	611.6	621.1

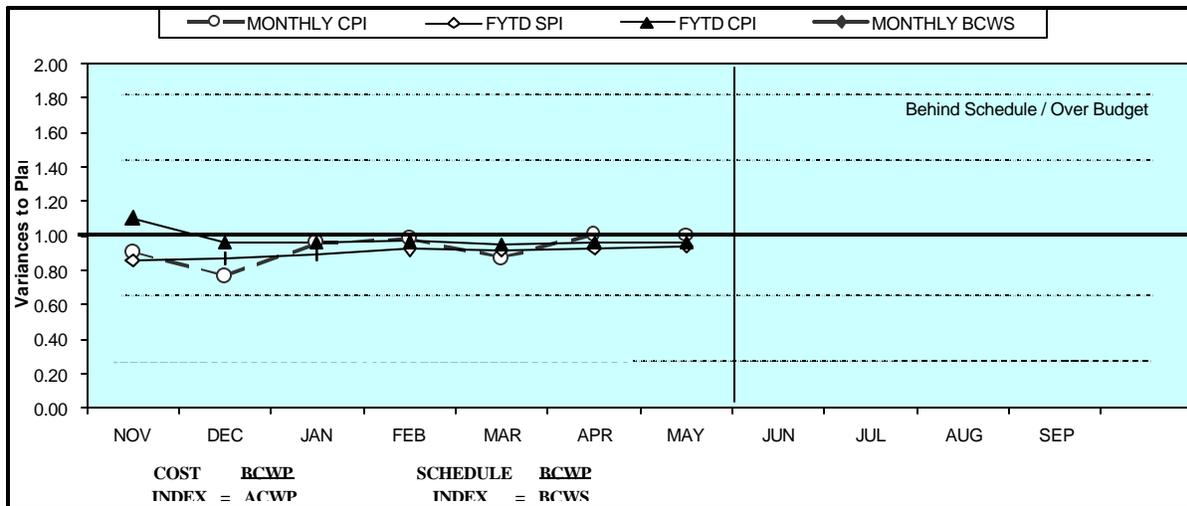
Notes: Column headings (BCWS, BCWP, FYSF, EAC, etc.) are defined in the glossary at the end of the report. Calculations are based on Project Baseline Summary detail. Waste Management, Analytical Services, River Corridor, and Nuclear Materials Stabilization have included RL-Directed costs (e.g. steam and laundry) in the PEM BCWS. Advanced Reactors (EM) have included steam. Technology Development does not include ORP/RPP TTPs currently reported in the RL Dataset in the HQ-IPABS-PEM.

Funds Management — Although earned value measures are currently close to or within established thresholds, the PHMC is currently projecting a potential overrun in the Project Completion Control Point. Project Fiscal Year Spend Forecast (FYSF) data is continuing to be analyzed in comparison to available funds, and recent trends indicate that without action, costs could exceed funds. Management has taken aggressive steps designed to correct this situation and

preliminary data indicate that the actions are making significant contributions toward cost reductions. In addition, an internal reprogramming package was submitted to RL that will transfer \$5M from the Post 2006 control point to the Project Completion control point. This transfer will help to balance the cost problem between the control points, but will not totally resolve the overall funds management issue. The PHMC will monitor costs very closely and with increased frequency to assure that the management actions yield the necessary results and that costs do not exceed funds.

The following Cost/Schedule and Variance to Plan chart provides an overall graphical view of fiscal year to date performance and cost and schedule performance indicators.

FY 2000 COST / SCHEDULE PERFORMANCE CUMULATIVE TO DATE STATUS



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
FY 2000												
MONTHLY SPI	0.91	0.82	0.91	0.94	1.06	0.91	0.95	1.03				
MONTHLY CPI	1.63	0.91	0.77	0.96	0.98	0.87	1.01	1.00				
FYTD SPI	0.91	0.85	0.87	0.89	0.92	0.92	0.92	0.94				
FYTD CPI	1.61	1.10	0.96	0.96	0.97	0.95	0.96	0.96				
MONTHLY BCWS	\$ 32,593	\$ 53,767	\$ 43,044	\$ 45,616	\$ 46,841	\$ 58,627	\$ 51,119	\$ 61,951	\$ 43,095	\$ 44,044	\$ 55,241	\$ 53,063
MONTHLY BCWP	\$ 29,521	\$ 44,110	\$ 39,143	\$ 42,925	\$ 49,641	\$ 53,509	\$ 48,692	\$ 63,845				
MONTHLY ACWP	\$ 18,079	\$ 48,593	\$ 50,991	\$ 44,809	\$ 50,494	\$ 61,261	\$ 48,171	\$ 63,711				
FYTD BCWS	\$ 34,194	\$ 89,588	\$ 134,234	\$ 181,586	\$ 230,337	\$ 290,728	\$ 343,763	\$ 406,867	\$ 452,340	\$ 498,846	\$ 556,218	\$ 611,837
FYTD BCWP	\$ 31,083	\$ 76,592	\$ 116,984	\$ 161,408	\$ 212,355	\$ 267,254	\$ 317,970	\$ 383,574				
FYTD ACWP	\$ 19,333	\$ 69,374	\$ 121,431	\$ 167,678	\$ 219,385	\$ 282,005	\$ 331,991	\$ 397,534				

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 37 of 52 (72 percent) approved baseline milestones were completed on or ahead of schedule, 7 milestones (13 percent) were completed late, and 8

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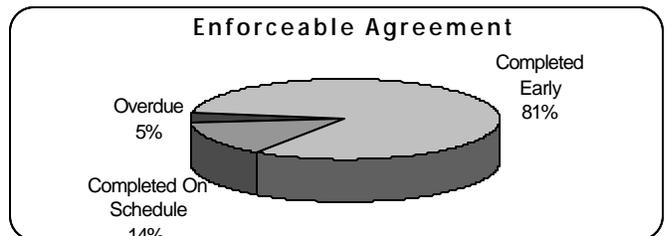
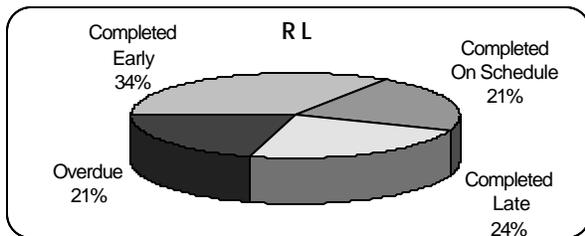
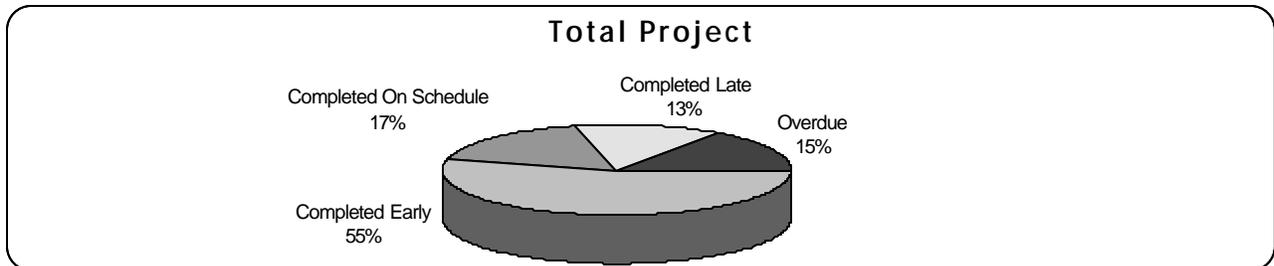
milestones (15 percent) are overdue. The eight overdue milestones are associated with four projects: Nuclear Material Stabilization—four, River Corridor—one, Environmental Management (EM)-50—two, and Mission Support—one. These overdue milestones do not share a common cause.

In addition to the FY2000 milestones described above, there are four overdue milestones from the prior fiscal year (FY1999). Further details regarding these milestones may be found in the Project Sections.

FY 2000 information is depicted graphically below and on the following page. For additional details related to the data in the graphs and prior year milestones, refer to the relevant project section titled “Milestone Exception Report.”

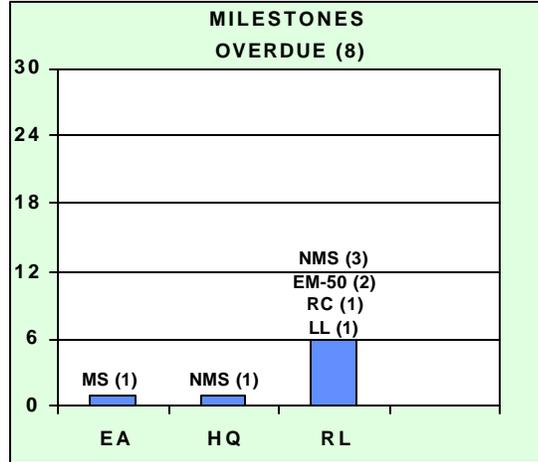
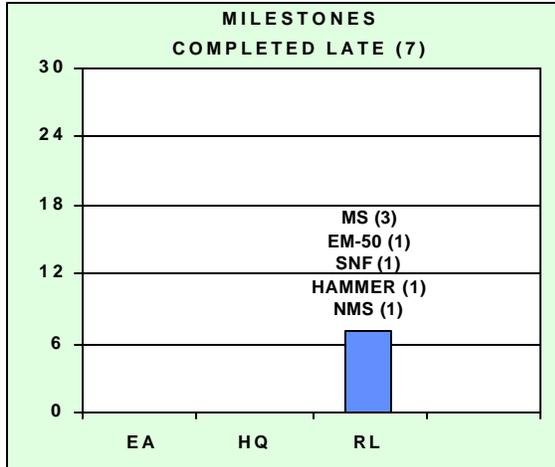
FY 2000 information reflects the current approved baseline. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			TOTAL FY 2000
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	18	3	0	1	0	11	0	33
DOE-HQ	0	0	0	1	0	3	0	4
RL	10	6	7	6	0	44	0	73
Total Project	28	9	7	8	0	58	0	110

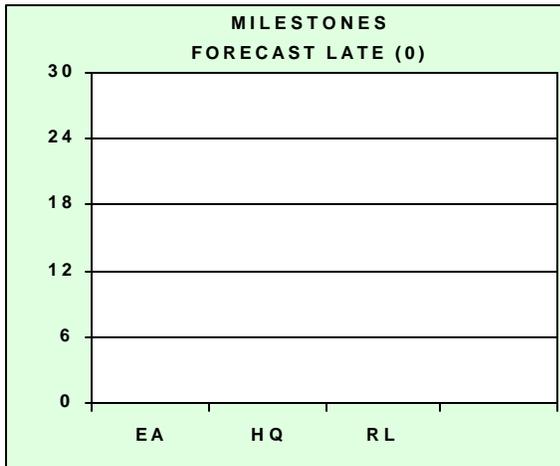


MILESTONE EXCEPTIONS

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

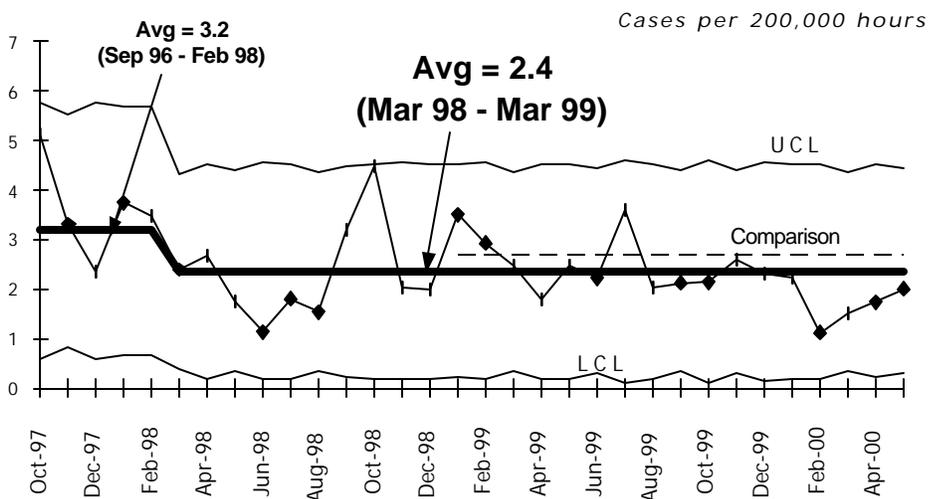
SAFETY OVERVIEW

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

Rates have been stable for over two years. This safety performance plateau has been recognized by the safety organizations, and Fluor Hanford kicked off its Integrated Safety Approach initiative on December 6, 1999 in order to take safety performance to a new level. This initiative focuses on the "people side" of accident prevention.

Total OSHA Recordable Case Rate

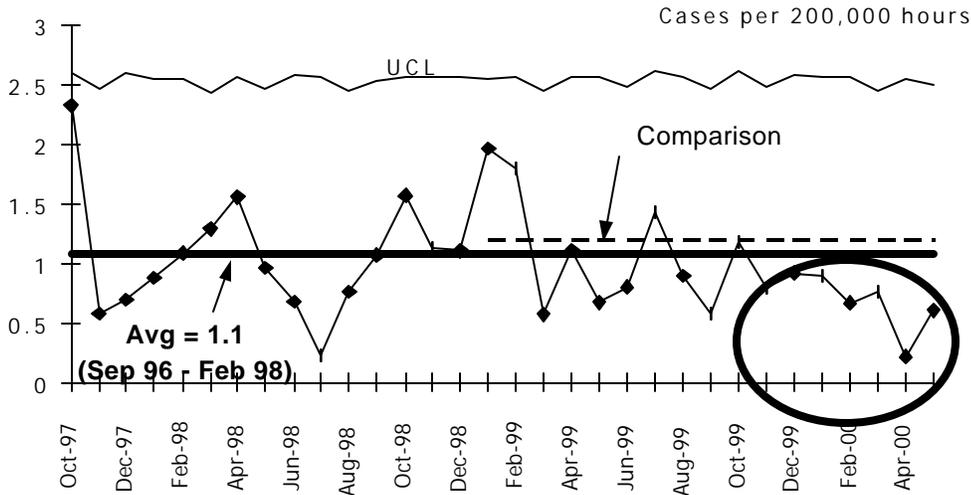


FY 1999 = 2.6
 FY 2000 = 2.0
 Contractor Comparison Average = 2.7 (CY99)
 The past six months have been below average, and a seventh will be statistically significant.

FH is implementing a corrective action program to target an OSHA Recordable Case Rate of 0.9. The Fluor Global Services goal is 1.0. This is in line with Fluor's corporate value of safety and our commitment to the safe clean-up of the Hanford Site.

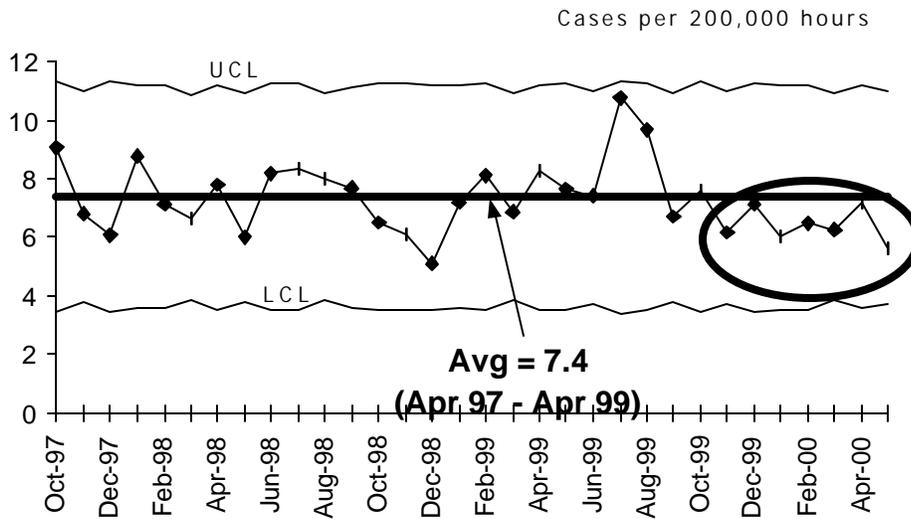
Six of FH's major projects and service organizations are achieving OSHA Recordable Case Rates of less than 1.0.

OSHA LOST/RESTRICTED WORKDAY CASE RATE



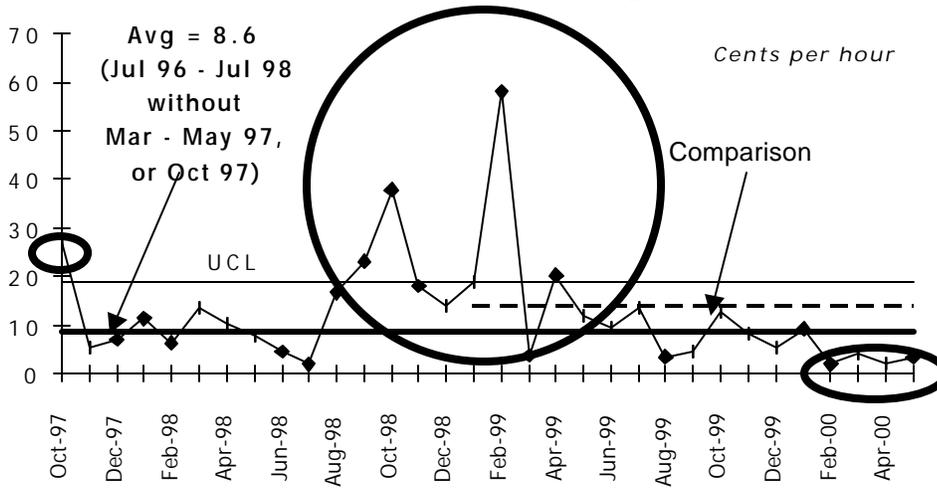
FY 1999 = 1.1
 FY 2000 to date = 0.75
 Contractor Comparison Average = 1.2 (CY99)
 The past seven months in a row have been below average, a significant decrease. Five million hours have been worked since the last lost away workday injury.

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. First Aid cases rate has remained relatively stable, a good check that injuries are not being under-reported. There is currently 7 months in a row below average, due to the normal winter decrease.

DOE Safety Cost Index



FY 1999 = 17
 FY 2000 to date = 5.7
 Contractor Comparison
 Average = 13.9 (CY99)
 There has been a long
 term cycle over the past
 three years of decreases
 for 7 to 9 months, followed
 by increases. The past
 four months have been
 one standard deviation
 below average. However,
 recent data may gain
 further lost or restricted
 days

CRITICAL TECHNICAL ISSUES

Nothing to report.

MANAGEMENT COMMITMENT MILESTONES AS OF MAY 31, 2000

Milestones	Due Date	Forecast Date	Actual Date	Status / Comments
Nuclear Materials Stabilization				
Submit FPF Tank 361 Core Sample Data to EPA (M-015-37B)	5/31/00	5/31/00	5/31/00	Complete
Begin Stab. of Pu Solutions via Mg(OH) ₂	7/31/00	9/05/00		
Spent Nuclear Fuels				
Complete KW Cask Facility Mods (M-034-14A)	2/29/00	2/29/00	2/29/00	Complete
Commence Phased Startup Initiative Hot Testing	5/31/00	7/13/00		See note 1.
Complete Phased Startup Initiative Testing	8/31/00	8/31/00		
Waste Management				
Initiate TRU Shipment to WIPP	5/31/00	TBD		

¹ Increased Management attention has been placed on this due to the delays in completing Phase I and II.

CRITICAL FEW PERFORMANCE MEASURES

Performance Measure	Status as of May 31, 2000
Spent Nuclear Fuel:	
Measure - Amount of fuel removed	
Declaration of Readiness to move Spent Nuclear Fuel	Green
Phased Startup Initiative Phases I & II	Red
Measure - Amount of SNF Stabilized	NA FY 2000
324/327 Building Deactivation:	
Measure - Number of buildings dispositioned	Green
Waste Management:	
Measure - Adequacy of waste management services support	
Number of analytical equivalent units (AEU's) analyzed	Green
Through-put efficiency of effluent treatment facility (ETF) gpm	Green
Number of 242-A evaporator campaigns completed	Green
Measure - Retrieve and ship TRU offsite	
Number of drums retrieved	Green
Number of shipments to WIPP	Green
Measure - MLLW Treated (m3)	Green
Measure - MLLW Disposed (m3)	Green
Measure - Clear three T-Plant canyon deck sections	Green
Measure - Remove two PUREX separation towers	Green
Plutonium Stabilization:	
Measure - Pu metal/oxides/other types dispositioned (items)	Yellow

Yellows noted above are behind schedule but recoverable, action plans in place. Red is either missed or unrecoverable. Details can be found in the Project Sections.

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.

- Spent nuclear fuel (SNF) final disposition interface activities, including Office of Civilian Radiation Waste Management (OCRWM) Quality Assurance (QA) Program implementation, ongoing with National SNF Program.
- SNF Project fuel removal acceptance criteria and conceptual design reviews for 324 Building (B Cell) ongoing with River Corridor Project.
- K Basins sludge removal and Shippingport (PA) Pressurized Water Reactor Core 2 SNF removal implementation activities ongoing with Waste Management Project.
- WM continues working with DOE-RL, DOE-HQ and other Sites to develop and define Hanford's role in disposing of waste from other sites. Hanford's role as one of the identified LLW/MLLW disposal sites for the Complex is yet to be fully defined.
- WM continues working with PNNL, EM-50 and Mixed Waste Focus Area (MWFA) to obtain funding in support of mixed waste processing.
- Nuclear Material Stabilization Project continues working with PNNL on activities associated with the $Mg(OH)_2$ process in order to accelerate the plutonium solution stabilization process, and polycube stabilization issues (gathering data for the SAR).
- Analytical Services continues to support BNFL efforts to establish required analytical support for glassification operations.
 - In the longer term, BNFL could utilize unused space at WSCF for cold run test support and process laboratory analytical equipment testing.
 - The 222-S laboratory, with some refurbishment might become a low cost option to a new large-scale laboratory associated with the glassification facility.
 - A white paper is being prepared for RPP to address the potential support that 222-S and WSCF could provide to the glassification facility.
- Landlord Project is establishing a Hanford Site Planning Advisory Board made up of cooperating agencies and Tribal representatives to support implementation of the Comprehensive Land Use Plan (CLUP).
- Landlord Project is developing and administering Real Estate documents (e.g., licenses, leases, easements, and permits).

UPCOMING PLANNED KEY EVENTS

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

Waste Management:

- Complete Waste Isolation Pilot Project (WIPP) Certification of Hanford's Transuranic (TRU) Project and initiate TRU shipments in FY2000.
- Treat 1,160 cubic meters (includes 100 cubic meters stretch) of MLLW at ATG by August 2000; dispose of Land Disposal Restriction compliant waste by September 2000.
- Retrieve 425 drums of suspect TRU waste from the Low-Level Burial Grounds by September 2000.
- Accelerate Readiness to Receive Spent Nuclear Fuel K Basin Sludge.
 - Clear three sections of the T Plant Canyon deck in FY 2000.
 - Complete entire deck clearing by the end of FY 2001.

Nuclear Materials Stabilization:

- Begin Pu solution stabilization via $Mg(OH)_2$ in the 4th quarter of FY 2000.
 - Complete glovebox installation in July 2000.
 - Complete ORR and training activities for stabilization activities in room 230-C in September 2000.
- Continue metal stabilization processing in November 2000.
- Initiate polycube stabilization in 1st quarter of FY 2001.

River Corridor Project:

- Complete ISMS verification of Phase II readiness activities by June 2000.
- Complete all B Plant closeout activities by July 28, 2000.
- Issue the final report for the 300 Area Waste Acid Treatment System (WATS) Resource Conservation and Recovery Act (RCRA) Closure Activities by September 2000.
- Complete Removal of 324 Building Radiochemical Engineering Cell (REC) B Cell Mixed Waste (MW) and Equipment by November 2000.

Spent Nuclear Fuels:

- Deliver eight more Multi-Canister Overpacks (MCO) by the end of June 2000.
- Complete Cask Loadout System (CLS) startup testing by the end of June 2000.
- Complete integrated subsystem testing of the Cold Vacuum Drying facility by the end of July.
- Begin DOE Operational Readiness Review (ORR) for fuel removal by mid-September 2000.
- Begin K West Basin fuel removal, drying & storage operations by November 30, 2000.

Landlord

- Complete Project L-292, Emergency Preparedness Control Station (EPCS) in July 2000. This project retrofits the 100K/D Sirens to the new control system and changes the frequency for all the outdoor Site sirens so they can be controlled from a central point.
- Complete Project L-312, "2101M, MO-235, and Associated Buildings Storm Drainage Resolution" in July 2000.