

### Background

The Hanford Advisory Board (HAB) appreciates the opportunity to once again formally comment on the 2013 and 2014 Hanford Lifecycle Scope, Schedule, and Cost Reports (Lifecycle Report). If used properly, the Lifecycle Report should provide the foundation for budget requests from DOE Richland Operations Office (DOE-RL) and the DOE Office of River Protection (DOE-ORP) to DOE Headquarters (DOE-HQ) annually. The Lifecycle Report is the single document that provides a complete picture of the Hanford cleanup missions cost, schedule and long term stewardship once the cleanup is complete. The evolution of the Lifecycle Report involves the U.S. Environment Protection Agency (EPA), Washington State Department of Ecology (Ecology), tribal nations, the State of Oregon, and both Hanford and Washington State stakeholders.

The **goals** identified in the Table 1-2 on pages 1-7 and 1-8 of the 2013 Lifecycle Report are consistent with HAB Values. These are high reaching goals that truly capture the cleanup mission. The DOE Time-Phased Cleanup Priorities in Table 3-2 on page 3-4 provide an excellent level of detail for cleanup **priorities**. The Lifecycle Report does reflect the assumption that the Tri-Party Agreement (TPA) milestones and the required funds to support them will be requested annually from DOE-RL and DOE-ORP to DOE-HQ.

In a perfect world, the Lifecycle Report should be the foundation or tool for funding requests from local DOE Offices to DOE-HQ, but today a new challenge, called sequestration, exists. The impact of sequestration on the Lifecycle Report is devastating. A year's worth of development has been wasted. Hanford's goal has always been to minimize costs and identify faster and cheaper ways to complete the mission. The HAB believes it is time for the federal government to step up and commit to completing the mission here at Hanford. Any reduction of funds impacts completion of projects, the ability to start new projects, cost escalations of existing projects, and the ability to meet legally required TPA milestones.

If the history of Hanford budgets were to be reviewed, it would reflect consistent budgets in the \$1 billion range. The most significant change to Hanford's budgets came when DOE-ORP was created. Since then, both DOE-ORP and DOE-RL have managed to be funded at the \$1 billion dollar range, which doubled the annual budget. Looking at funding today under sequestration, and into the future, it is obvious that the out-year funding profiles in the 2013 Lifecycle Report will never materialize. The HAB understands that the budget profiles in the Lifecycle Report are tied directly to milestones in the TPA. However, now that sequestration is being implemented, both the Lifecycle Report and the TPA milestones are no longer a valid approach to funding the cleanup mission.

The cleanup mission is an agreed upon approach/schedule to funding the legally negotiated milestones in the TPA. The funding profile in the 2013 Lifecycle Report (see Figure 3-3 on page 3-6) reflects a significant increase in funding over the next 20 years to accommodate the TPA milestones. In FY2014 through FY2041, the budget is as much as \$1 billion dollars higher than it is today. If budget were to remain at the sequestration level the completion dates could be extended out an additional 20 to 30 years. Issues like leaking tanks become a real concern, since these tanks are already 40 to 50 years beyond their design life. It is obvious if these tanks are leaking today they will be even worse in 30 years. The leaks today are only estimated to be 300 gallons a year, but when multiplied by 30 years it becomes a significant amount of soil contamination.

The HAB is pleased with the changes reflected in the 2013 Lifecycle Report. Looking ahead to the 2014 Lifecycle Report, the HAB is still concerned with the number of things that have been identified as part of the mission, but have not yet been scheduled or have a funding baseline. For example, the actual re-base lining of the Waste Treatment and Immobilization Plant (WTP) construction, and pretreatment design and construction have not been plugged into this latest report.

#### **Advice**

1. The Board advises DOE that the 2014 Lifecycle Report needs to reflect real budgets, including sequestration-level funding impacts and estimates from DOE Headquarters -- not based on unrealistic milestone schedules. It is obvious that major TPA milestone revisions will have to be negotiated prior to the publication of the 2014 Lifecycle Report, since the TPA milestone schedule is the driver for the funding profile in the Lifecycle Report.
2. The Board advises DOE to proceed with a major TPA revision and put the Lifecycle Report on hold for one year to allow time for this revision, including public involvement. The HAB believes the Lifecycle Report cannot reflect meaningful budget projections as long as the TPA milestones are unrealistic.
3. The Board advises DOE that the 2014 Lifecycle Report should contain all of the re-baselining cost of the WTP and pretreatment design and construction.
4. The Board advises DOE that a long term storage facility for high level waste should be negotiated and included in the 2014 Lifecycle Report.
5. The Board advises DOE that construction of additional tank storage (per HAB Advice #263) should be addressed in, and a funding profile developed for, the 2014 Lifecycle Report.