

## Draft HAB Advice on Overarching Budget Priorities

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### Purpose

The purpose of this advice is to step back and take a look at a realistic approach to the budget process. Looking at the current funding trends coming out of Washington D.C., it should be obvious to all that the additional funds needed to meet Hanford's current schedules and milestones are not going to materialize. The recent sequestration order cancelling \$182 million in budgetary resources compounds the problem of meeting our current goals and legally required milestones. The Hanford Advisory Board has established values related to the cleanup in the past and these values will be severely impacted if further budget cuts occur sequestration funds move forward.

### Background

The Hanford Advisory Board (HAB) Budgets and Contracts Committee is once again reviewing the latest budget information available. Each year it becomes more challenging to provide meaningful advice to the U.S. Department of Energy (DOE) because of the uncertainty of the federal budget. The fiscal year planning for a project as complex as Hanford, is a major task. The principles driving the current budget are the local DOE budget requests submitted to DOE headquarters (DOE-HQ), the mandated sequestration imposed by DOE-HQ, the Tri-Party Agreement (TPA) and the Lifecycle Scope, Schedule, and Cost Report (Lifecycle Report). Each of these documents provides the foundation and priorities for the cleanup of the Hanford site.

It is important to note that the budgets provided over the past 20 years have been adequate to accomplish a large majority of the TPA milestones. In addition, stimulus funds have also allowed DOE to accomplish some milestones ahead of schedule. Now, cleanup of a majority of the low-level radioactive and chemical waste sites have been completed or are scheduled to be complete in the next few years. Also, significant progress has been made on ground-water treatment, though several groundwater treatment systems remain to be installed or expanded. The cleanup issues facing the next twenty years are far more complex and costly to address.

One of the first and most important issues facing the HAB twenty years ago was tank waste. Today, progress is being made with the construction of the Waste Treatment and Immobilization Plant (WTP), but technical issues and funding are causing a tremendous impact on completion. A recently discovered leak in the inner shell of a double-shell tank has raised concern over tank integrity prior to operations beginning at the WTP. HAB Advice #263 (November 2012) recommended DOE build additional tank storage to support the long term WTP mission.

The sequestration of funds proposed in a March 5, 2013 letter addressed to Governor Jay Inslee is a devastating blow to the path forward. Direct reduction of \$182 million dollars to Hanford contractors is not an acceptable solution to advance the cleanup mission. Several years ago DOE Headquarters developed a plan that provided additional funds to sites that could be cleaned up

more quickly because of lower risk radioactivity and/or chemical contamination. Some of Hanford's budget funds were diverted to these sites. As the lower risk sites were completed, the intent was to free up additional funds for vitrification of Hanford's tank wastes when additional completion and start up funds were needed. That has not occurred.

WTP construction has been moving forward for a decade with a relatively stable guaranteed funding level from Congress of \$690 million per year. This funding level has moved the project forward in a consistent manner, although some activities were constrained by the budget. Today, a decade later, the planning and scheduling documents all show a ramp up of funds to meet completion and startup milestones. New plant technologies such as the WTP do not always move forward as planned. For example, the pre-treatment design is in question, the project is being re-baselined and low-activity waste (LAW) has not been fully addressed. Each of these issues will have a significant impact on future budgets. Sequestration cuts could delay completion of the project for many years, plus each year of delay increases the cost of the project. Sequestration dollars saved this year will significantly increase completion costs.

The HAB believes that funding shortfalls on one project could be moved to another project, if it completes the project sooner. The HAB believes current work schedules can be maintained with schedule adjustments. Obviously, because of sequestration, schedule and milestone adjustment will have to be made. Priorities based on risk will have to be made. Some new projects should not be started until existing projects are completed.

#### Advice

1. The Board advises DOE to develop a plan and schedule based on priorities rather than dollars. Take a step back and look at risk, hazards, and HAB Values.
2. The Board advises that future planning and scheduling should include an extensive public involvement process.
3. The Board advises DOE to focus on completing the work in progress before starting new work.
4. The Board advises that, once milestones and scheduled are agreed upon, tank waste storage must be addressed and if new tanks are required a method to acquire additional funds be developed and presented to Congress.
5. The Board advises that if DOE decides additional tanks are not required, then a detailed plan must be developed to explain how current and future tank leaks will be mitigated and on-going retrievals from single-shell tanks will continue.
6. The Board advises DOE to develop a baseline budget for completion of the entire Tank Waste Program. The budget should address pretreatment design and construction completion, construction and processing cost to deal with low-level tank waste, completion of the WTP, interim storage of high-level vitrified logs, and the construction of new storage tanks to hold waste until it can be vitrified.

**Comment [KN1]:** Sequestration has certainly added to the problem, but it's far from being the largest budget issue.

**Comment [KN2]:** These are a number of separate, somewhat disjointed thoughts that would all need additional elaboration and some editing for me to support. I suggest just deleting this paragraph.

**Comment [KN3]:** Not sure I fully agree with this. I understand the idea behind this, but I think there are some exceptions where certain work does need to begin to allow some continuation years later.