



Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802

MAR 05 2004

Ms. Jean Sulc, Chair
Savannah River Site Citizens Advisory Board
24 Harbor River Circle
St. Helena Island, SC 29920

Dear Ms. Sulc:

SUBJECT: Savannah River Site (SRS) Citizens Advisory Board (CAB) Recommendation 184 –
F-Canyon Deactivation and Post-Deactivation

Thank you for your continued interest in our programs at SRS. I appreciate your support of the F-Canyon Complex Deactivation Project Plan, as it represents a significant element of our Accelerated Cleanup Program. Responses to specific recommendations within SRS CAB Recommendation 184 are:

1. Develop a realistic timeline and budget to complete the deactivation of F-Canyon.

Response:

The contract with Westinghouse Savannah River Company (WSRC) requires completion of deactivation of the F-Canyon Complex by November 30, 2006. Successful deactivation is defined as completion of those activities required to reduce the annual surveillance and maintenance cost to less than \$32M. This is a threshold requirement in the contract in that WSRC will not be paid above the target fee amount unless this work scope is completed successfully, regardless of other site work completed above the target scope. Furthermore, WSRC is encouraged in the contract to accelerate deactivation of the F-Canyon Complex in order to complete additional work scope and earn additional fee.

A baseline schedule and cost estimate for the F-Canyon Complex Deactivation Project was developed by WSRC. The Department of Energy Savannah River Operations Office (DOE-SR) has performed an extensive review of the baseline schedule and cost estimate, and has validated the reasonableness compared to the scope of work to accomplish. WSRC has also developed and is working to an execution plan that accelerates the F-Canyon Complex deactivation by six months (completion date of May 2006), and both cost and schedule performance indicators for the project continue to indicate the project is ahead of the execution plan and under budget. DOE-SR will continue to challenge WSRC to accomplish all of its work in a safe, cost-effective manner.

2. Bypass the post-deactivation phase and initiate the decommissioning process.
3. Obtain the necessary approvals for the entombment of F-Canyon and its current equipment.
4. Report semiannually to the SRS CAB on progress made in accomplishing the above.

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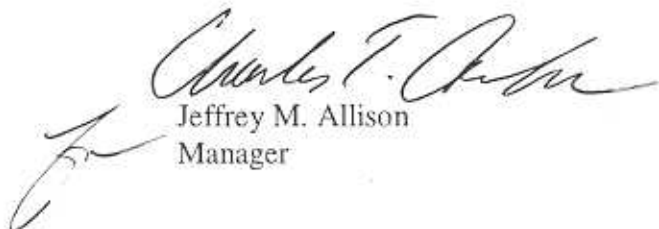
Response to 2, 3, and 4:

In our September 2003 Integrated Deactivation and Decommissioning Plan, high-dollar projects, including F-Canyon, were not scheduled in recognition of the need for individualized planning and management as self-contained projects. With a preliminary cost estimate of approximately \$200M for an entombment approach, this work must be carefully planned and scheduled in consideration of other site priorities, risk reduction, and cost benefit. The early success we are seeing in our accelerated cleanup strategy is encouraging and enables us to begin planning for F-Canyon decommissioning under the assumption that we will achieve the goals of our current contracted scope of work. Planning for F-Canyon decommissioning will be a key element in the development of our strategy for activities at SRS beyond the existing contract scope, which ends in December 2006. Consistent with the SRS CAB's recommendation, we will evaluate and consider minimization of the post-deactivation phase and initiate the decommissioning process for F-Canyon at the earliest possible date. Additionally, if insitu disposal is selected as the F-Canyon end state, we will work towards identifying and obtaining the necessary regulatory approvals. Our decisions will be made with consideration of other pressing site priorities and risk reduction activities.

We will keep the SRS CAB apprised of our progress in F-Canyon deactivation and planning for future decommissioning activities through briefings at board meetings and through the involvement with the Facilities Disposition and Site Remediation Committee.

If you have any questions, please call me or Helen Belencan, of my staff, at (803) 952-8696.

Sincerely,



Jeffrey M. Allison
Manager

EC-04-027