



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

**MAY 05 2006**

Ms. Karen Patterson, Chairperson  
Savannah River Site Citizens Advisory Board  
1103 Conger Drive  
Aiken, SC 29812

Dear Ms. Patterson:

**SUBJECT:** Response to Recommendation 228, President's Fiscal Year (FY) 2007 Savannah River Site (SRS) Budget Shortfall (Your letter dated March 29, 2006)

Thank you for the subject recommendation. My responses to the four parts of the recommendation are as follows:

- 1. The SRS Citizens Advisory Board (CAB), until 2 years ago, was given the opportunity to be part of the early budget process. The SRS CAB requests that DOE return to that previous practice.**

The Department of Energy (DOE) continues to value the CAB's input into the Site's Environmental Management (EM) cleanup program. This input is primarily obtained by the participation of the CAB committees in the Site's planning processes. A key component of the Site's planning processes is the EM Program Performance Management Plan (EM-PPMP). The EM-PPMP establishes strategies for achieving the goals and objectives of the DOE Savannah River Operations Office (SR) EM cleanup mission. During the initial development of the EM-PPMP and subsequent revisions, the CAB provided input on SR's EM cleanup scope and schedule and shared its priorities. This input has significantly influenced Site budget requests annually submitted to DOE Headquarters (HQ). The annual budget requests identify the budgetary resources needed to ensure successful achievement of the goals and objectives of the EM-PPMP.

SR will continue to involve the CAB in its planning processes. Updates to the EM-PPMP will be shared with the CAB. SR will also continue to provide budget and programmatic briefings to ensure open and effective communication regarding the SR planned work scope and accomplishments as we continue to progress towards a successful completion of the Site's EM mission.

- 2. By May 22, 2006, SR present to the SRS CAB how the President's FY 2007 Budget will affect or impact accelerated cleanup goals; identify potential impacts to current workforce levels (operational, technical and management); and provide a list of EM programs impacted, especially those committed to in the Federal Facilities Agreement.**

In addition to the FY 2007 budget brief provided to the CAB on March 27, SR continues to assess the President's FY 2007 budget request and its potential impacts on the Site's EM mission. Once the assessment is complete, the Site will schedule and provide the CAB with an appropriate update.

**MAY 05 2006**

3. **HQ request appropriate Congressional actions to provide SRS FY 2007 funding levels to rectify any shortcomings identified in #2 above.**

The SR will continue to work with HQ to identify and seek the required EM funding levels needed to accomplish the EM mission at the Site.

4. **By May 22, 2006, SR present to SRS CAB potential secondary funding sources to offset the FY 2007 shortfall and identify the sources and related activities that could be accomplished.**

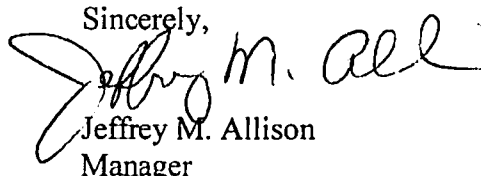
SR has been successful in identifying secondary funding sources and receiving the authorization from HQ and Congress to utilize these sources to accomplish the Site's cleanup mission. For example, revenues generated by the Site from the receipt of spent nuclear fuel (SNF) from foreign research reactors are used to offset the cost of fuel receipt, storage and management. Revenue from Site timber sales are used to offset the cost of the Site's timber management program. The SNF and timber revenues do not actually supplement or augment SR's budget. Congress actually reduces the amount of funds appropriated and authorizes the use of the revenues coupled with the appropriated funds to accomplish the Site's programs.

There are other activities on Site that could be viewed as secondary funding sources. The cost incurred to conduct surplus equipment and material sales can be funded by the proceeds generated from the sales. However, the proceeds from sales in excess of the cost must be returned to the U. S. Treasury. SR has also employed an "assets for services" program to offset the cost of Decontamination & Decommissioning (D&D) activities. Under this program, subcontractors perform the D&D activities in exchange for the salvage generated by the D&D activity.

SR will continue to seek secondary sources and request the authority from HQ and Congress to utilize these resources to offset the cost of the Site's cleanup effort. SR welcomes input from the CAB on any potential secondary funding sources.

If you have any questions, please call me or have your staff contact James Buice at (803) 952-9353.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey M. Allison".

Jeffrey M. Allison  
Manager

BD-06-0026