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RE: FY 98 BUDGET PRIORITIES

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LETTER

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

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APR 22 1996

REPLY TO THE ATTENTION OF:

Mr. Jack R. Craig
United States Department of Energy
Feed Materials Production Center
P.O. Box 398705
Cincinnati, Ohio 45239-8705

SRF-5J

RE: FY 98 Budget Priorities

Dear Mr. Craig:

The United States Environmental Protection Agency (U.S. EPA) has completed its review of the United States Department of Energy's (U.S. DOE) 1998 budget and prioritization information distributed at the April 10, 1996, meeting in Chicago, IL. U.S. EPA appreciates the opportunity to be involved in U.S. DOE's budget and prioritization process. Stakeholder support from all levels is essential for the success of the Fernald ten-year cleanup plan, and U.S. DOE has committed to completing an accelerated cleanup at the Fernald site.

In reviewing the documentation U.S. EPA supports the Fernald site office in their efforts to prioritize the project and achieve a ten-year cleanup. Given the fact that the Fernald site office has demonstrated a \$3 billion savings by implementing a ten-year cleanup, U.S. EPA recommends that the Fernald office pursue funding at the Planning Level, for it is only at this level that the accelerated cleanup can occur. It appears that funding below that level may jeopardize the accelerated cleanup and existing commitment to the stakeholders.

Much effort has been put forth by U.S. DOE, U.S. EPA, the Ohio Environmental Protection Agency (OEPA), the Fernald Environmental Restoration and Management Corporation (FERMCO), and other stakeholders in planning and re-scheduling the accelerated cleanup. Failure to fund and implement the accelerated cleanup, will result in further delays, increased cleanup costs, missed regulatory milestones, and stakeholder alienation.

The Fernald site office's priority list is very extensive. Although U.S. EPA has not determined a priority or item to be missing from the list, and concurs with the general approach of prioritizing projects, U.S. EPA does not view this concurrence as an immediate acceptance of budget shortfalls being an excuse for missing regulatory milestones. The existing Amended Consent Agreement (ACA) between U.S. EPA and U.S. DOE is the document by which U.S. EPA regulates cleanup activities at the site. To the

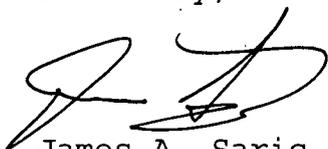
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extent that the budget information provides further understanding U.S. DOE's budget process and to accelerate the cleanup, U.S. EPA remains involved. However, should a funding shortfall result in a missed milestone, any extension and/or enforcement action will be addressed on a case-specific basis in accordance with the provisions of the ACA.

U.S. EPA will continue to work with U.S. DOE, FERMCO, OEPA and other stakeholders to assure the cleanup of the Fernald site occurs faster, cheaper, and safer. Part of accomplishing this means is U.S. DOE's commitment to providing adequate resources to support the project.

Please contact me at (312) 886-0992 if you have any questions regarding this matter.

Sincerely,



James A. Saric
Remedial Project Manager
Federal Facilities Section
SFD Remedial Response Branch #2

cc: Tom Schneider, OEPA-SWDO
Johnny Reising, DOE-Fernald
Jack Baublitz, U.S. DOE-HDQ
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Michael Yates, FERMCO
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