

memorandum

DATE: MAY 15 2007

REPLY TO:

ATTN OF: EMCBC:SMILEY

EMCBC-00450-07

SUBJECT: S-2 APPROVAL OF CONDITIONAL CRITICAL DECISION-4 FOR CLOSE-OUT OF FERNALD CLOSURE PROJECT, PROJECT BASELINE SUMMARIES OH-FN-0013, OH-FN-0030 & OH-FN-0050

TO: Dr. Ines Triay, Chief Operating Officer, Environmental Management (EM-3)

FROM: Johnny Reising, EM Federal Project Director, Fernald Closure Project

Johnny Reising 5/15/07
JRC 5/15/07

THROUGH: Jack R. Craig, Director, EM Consolidated Business Center (EMCBC)

ISSUE: The total life-cycle cost for the Fernald Closure Project (FCP) exceeded \$1B. Therefore, DOE Order 413.3A Program and Project Management for the Acquisition of Capital Projects) requires approval by the Deputy Secretary (S-2) of this Conditional Critical Decision-4 (CD-4) for Project Baseline Summaries (PBS) OH-FN-0013, OH-FN-0030 & OH-FN-0050. Approval by S-2 is based on the condition that EM will permanently dispose of Silos 1 & 2 waste (currently held in interim storage at an offsite location) by the end of FY2010.

BACKGROUND: The FCP is a DOE-EM environmental remediation project, conducted in accordance with the Comprehensive Environmental Response, Compensation & Liability Act (CERCLA). The site is owned and operated by DOE, and EM is responsible for implementing all environmental agreements with the U.S. and/or the Ohio Environmental Protection Agencies (EPA), and any other requirements imposed by environmental regulations. The DOE reached agreement with the U.S. EPA and Ohio EPA, and the stakeholders have endorsed, that the appropriate end-state for the FCP is a Federally-owned, undeveloped park with an emphasis on wildlife.

On November 20, 2000, EM awarded Contract No. DE-AC24-01OH20115 to Fluor Fernald, Inc. (FFI), to complete the remaining scope for the environmental remediation project and to prepare the site for long-term surveillance & maintenance of all CERCLA remedies by the Office of Legacy Management (LM). On March 29, 2003, the Acquisition Executive directed FFI to re-baseline the scope of work. Operational transfer of the site to LM occurred in early FY07; however, the FY07 Continuing Resolution has delayed actual programmatic transfer of the FCP to LM until October 1, 2007. As a consequence, EM continues to fund all work performed by LM at the FCP during FY07. All EM work at the FCP site has been completed.

EM's only outstanding obligation is to permanently dispose of the Silos 1 & 2 waste, currently held in interim storage at the Waste Control Specialists (WCS) facility in Andrews, TX. Final disposal of the Silos 1 & 2 waste is the condition upon which approval of this CD-4 Package is based. \$21.3M for final disposition of Silos 1 & 2 waste was included in FCP's budget formulation for FY09-13, and a Baseline Change Proposal (BCP) is currently being prepared. EM anticipates final disposal of this waste will occur no later than FY2010 year-end. Refer to Background Information, Tab 1, for further detail on this subject.

In August 2006, the Oak Ridge Institute for Science and Education (ORISE) conducted both an in-process evaluation and independent verification survey activities at the FCP site. On October 3, 2006, ORISE provided DOE with a final report that states, in part: "...based on the review of documentation and the field activity observation processes, it is ORISE's position that the contractor's remedial actions have been effective in meeting established Final Remediation Levels (FRL) and that the reviewed certification reports accurately and adequately describe the radiological conditions of the site."

On October 29, 2006, FFI declared physical completion (DPC) (Tab 2). On November 17, 2006, the EM Contracting Officer provided FFI with the Government's determination of reasonableness (DOR) (Tab 3). A comprehensive assessment for "Acceptance as Complete" was conducted by EM, in consultation with LM. The assessment consisted of a validation of completion of activities identified during the previous DOR assessment as well as verification of completion of all contractual requirements, including: Regulatory, Physical, Contractual, Administrative and LM Transfer. On January 12, 2007, the FCP requested approval from the Assistant Secretary (EM-1) to accept the physical completion of work required from FFI (Tab 4), and on January 18, 2007, EM-1 provided written approval of that request. The joint-EM/LM Acceptance as Complete assessment did not identify any material deficiencies on the FFI contract; therefore, it was not necessary for the EM Contracting Officer to issue a Final Declaration Letter to FFI.

Regulatory Completion of the FCP will be a post-CD-4 activity. Tab 5 of the Background Information summarizes post-CD-4 activities associated with Regulatory Completion, as well as EM's obligation to settle the Natural Resources Damage (NRD) claim filed by the State of Ohio. EM estimates that Regulatory Completion will be achieved by the end of CY07, however, LM will be responsible for components of Regulatory Completion associated with Operable Unit 5, since final groundwater remediation is not expected to be complete until the year 2025.

EM completed the FCP project with an actual Life Cycle Cost (LCC) of \$2,901,761K, as summarized below. The LCC below for each PBS is based on information currently in the Integrated Planning, Accounting and Budgeting System (IPABS) "GEN-2" reports dated July 4, 2006 (Tab 6), which identify (in current year dollars) EM's actual costs from FY1997 through FY2005 and EM's planned costs for FY2006 through FY2070. In order to report the actual LCC in this Conditional CD-4 Package, the GEN-2 data for FY1997 through FY2005 have been combined with the actual costs incurred by EM during FY2006 through the date of the closure contractor's Declaration of Physical Completion (October 29, 2006), as reported in FFI's monthly Cost Performance Report and accepted by EM as part of contract close-out (Tab 7). The resulting actual LCC costs, from FY1997 through October 29, 2006, are listed below. The LCC numbers in the GEN-2 for FY1997 through FY2070 are also provided below for comparison purposes. The below LCCs do not include the planned \$21.3M mentioned previously, for final disposition of the Silos 1 & 2 waste by FY2010 year-end.

PBS	Planned LCC	Actual LCC
OH-FN-0013	\$1,599,160K	\$1,598,948K
OH-FN-0030	\$1,403,514K	\$1,069,205K
OH-FN-0050	<u>\$ 290,075K</u>	<u>\$ 233,608K</u>
Total LCC	\$3,292,749K	\$2,901,761K

The Site Transition Plan (STP) for the FCP was approved by EM-1 and LM-1 on March 29, 2005 (Tab 8). The STP described the below ten (10) major milestones to ensure an effective and efficient transition of programmatic responsibility from EM to LM. All of these milestones have been completed, or are on-target for completion as scheduled, in support of EM's operational transfer of the site to LM in early FY07, and EM's achievement of Regulatory Completion by CY07 year-end.

- (1) EM settlement of the Natural Resource Damage (NRD) claim by the State of Ohio (action will be complete December 31, 2007);
- (2) EM obtains U.S. EPA and Ohio EPA approval of the Legacy Management Institutional Controls Plan (LMICP) (action completed August 10, 2006);
- (3) EM completes Program Budget Decision (PBD) for transfer of budget authority to LM (action completed December 2, 2005);
- (4) EM completes transfer of records, both paper and electronic, to LM (action completed April 30, 2007);

- (5) LM assumes operational responsibility for monitoring & maintenance of the site in accordance with the LMICP (action completed November 17, 2006);
- (6) EM submits CD-4 Package for ESAAB approval (action completed May 11, 2007);
- (7) LM is prepared to accept remaining portions of existing regulatory agreements for the LMICP and Operable Unit 5 (Aquifer Restoration Project) (action will be complete December 31, 2007);
- (8) EM satisfies Amended Consent Agreement (ACA) for Operable Units 1-4 (action will be complete December 31, 2007);
- (9) Responsibility for Pensions & Benefits Program transferred to LM (action will be complete October 1, 2007); and
- (10) LM accepts active real property records transfer (action will be complete upon CD-4 approval).

An Addendum to the STP was jointly-prepared by the FPD, the LM Site Manager and the EMCBC, and finalized on April 27, 2007 (Tab 9). The STP Addendum functions as a "punch list" of remaining actions that need to be completed to fully-implement the ten STP milestones listed in the paragraph above. None of these open actions impacted EM's ability to complete all work at the FCP site, LM's ability to assume operational responsibility for the FCP in early FY07, or EM's future ability to achieve Regulatory Completion by the end of CY07. It is the EMCBC's responsibility, in consultation with LM, to complete all punch list items in the STP Addendum.

The EMCBC was the custodian of all FCP Government-owned records, including Operating Contractor records and records generated or held by DOE staff at the former Ohio Field Office or at the EMCBC. By April 30, 2007, the EMCBC had transferred the last-remaining inactive FCP records to a Federal Records Center (FRC), at which time LM assumed custodianship of those records. The only FCP records that remain in EMCBC's custody are records needed for contract close-out or litigation settlement purposes. Such records will be transferred to the FRC as soon as practicable by EMCBC.

Formal transfer and realignment of work scope from EM to LM is documented via memorandum to the Chief Financial Officer, dated December 2, 2005 (Tab 10). The memo requests the Department effect a funding target transfer for FY07-11 from EM to LM in a Program Budget Decision (PBD) document as part of the FY07 budget process for the FCP site. The memo further states that beginning in FY07 and upon EM's acceptance of the contractor's declaration of physical completion, LM will assume operational

responsibility for the FCP. As previously stated, the FY07 Continuing Resolution has delayed actual programmatic transfer of the FCP to LM until October 1, 2007, therefore, EM continues to fund all work performed by LM at the FCP during FY07. Nonetheless, all EM work at the FCP site has been completed, and EM's only outstanding obligation is to permanently dispose of the Silos 1 & 2 waste currently held in interim storage offsite. Final disposal of the Silos 1 & 2 waste is the condition upon which approval of this CD-4 Package is based. \$21.3M for final disposition of Silos 1 & 2 waste was included in FCP's budget formulation for FY09-13, and a Baseline Change Proposal (BCP) is currently being prepared. EM anticipates final disposal of this waste will occur no later than FY2010 year-end.

There are two attachments to this memo. Attachment 1 is a presentation for the Energy System Acquisition Advisory Board (ESAAB) and Attachment 2 is the decision memorandum for the Deputy Secretary to approve the Conditional CD-4 for the Fernald Closure Project.

If you have any questions on this memo or its two attachments, or on the tabbed documents in the Background Information, please contact Jack Craig, EMCBC Director, at 513-246-0460.

RECOMMENDATION:

Approve submittal of this Conditional CD-4 Package to S-2 for the close-out of the Fernald Closure Project, Project Baseline Summaries (PBS) OH-FN-0013, OH-FN-0030 & OH-FN-0050.

Attachments: As Stated

cc electronically w/attachments:

Jack Surash, EM-50
Jay Rhoderick, EM-53
Leonard Muciarro, EM-53
Ram Lahoti, EM-53
Terri Howard, EM-53
Cynthia Anderson, EM-3.2
Jack Craig, EMCBC
Johnny Reising, EMCBC
Lance Schlag, EMCBC
Ralph Holland, EMCBC
Margaret Marks, EMCBC
Tim Jones, EMCBC
David Geiser, LM-2
Jane Powell, LM-20.1

Fernald Closure Project

**Conditional Critical Decision-4 (CD-4)
Project Closeout**



Energy System Acquisition Advisory Board

EM Consolidated Business Center

May 14, 2007

Purpose

Request approval of Conditional CD-4

for

Fernald Closure Project (FCP) Project Baseline Summaries (PBS):

- OH-FN-0013 (Solid Waste Stabilization and Disposition)
- OH-FN-0030 (Soil and Water Remediation)
- OH-FN-0050 (Non-Nuclear Facility D&D)

NOTE: All EM work at the FCP site was completed in early FY07. Submittal and S-2 approval of this CD-4 Package is based on the condition that EM will dispose of the Silos 1 & 2 waste no later than FY2010 year-end. This waste is currently held in interim storage at the Waste Control Specialists (WCS) facility in Andrews, Texas.



Background

- ◇ The Fernald Closure Project (FCP) is located near Fernald, OH, and produced “feed material” in the form of purified uranium compounds and metal for use by other governmental facilities in the production of nuclear weapons for the nation’s defense.
- ◇ In 1991, the mission changed from uranium production to environmental cleanup under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).
- ◇ On November 20, 2000, EM awarded Contract No. DE-AC24-01OH20115 (closure contract) to Fluor Fernald, Inc. (FFI), to complete the environmental remediation project and to prepare the site for long-term surveillance & maintenance (LTS&M) by the Office of Legacy Management (LM).
- ◇ EM-1 and LM-1 approved the FCP’s Site Transition Plan (STP) in March 2005.

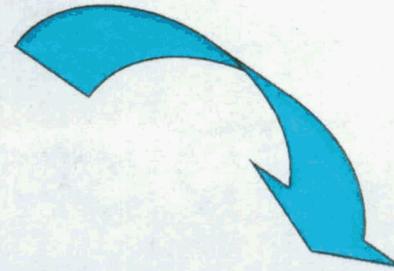


Background (continued)

- ◇ Program Budget Decision (PBD) request submitted to Chief Financial Officer in December 2005, to effect funding target transfer to LM for FY07-11. However, FY07 Continuing Resolution resulted in transfer of budget authority in FY08, and EM continues to fund all work LM performs at FCP during FY07.
- ◇ FFI declared physical completion on October 29, 2006, and “operational” transfer of the site to LM occurred immediately after.
- ◇ EM-1 granted approval on January 18, 2007 for the EM Contracting Officer to accept physical completion of work required from FFI under the terms of the contract.



Fernald Closure Project – before and after



End State

- ◇ The end state for the FCP is a Federally-owned, undeveloped park with an emphasis on wildlife. This end state is consistent with the CERCLA remedy approved by the U.S. and Ohio EPAs, and is fully-endorsed by FCP stakeholders.
- ◇ The STP identified three phases in the transition & closeout process:
 - ✓ Physical Completion (accepted by EM-1 on Jan. 18, 2007)
 - ✓ Regulatory Completion (EM-CBC to complete by Dec. 31, 2007)
 - ✓ Contractual/Financial Closeout (EM-CBC's responsibility; completion date TBD, and will be dependent on timeliness of DCAA's final cost audit)
- ◇ LM will continue LTS&M of the of FCP, including the On Site Disposal Facility (OSDF), groundwater remediation (pump & treat), and all environmental monitoring that continues after Site Closure.



EM's Life-Cycle Cost (LCC)

PBS	Planned LCC (\$K)	Actual LCC (\$K)
OH-FN-0013	1,599,160	1,598,948
OH-FN-0030	1,403,514	1,069,205
OH-FN-0050	<u>290,075</u>	<u>233,608</u>
TOTAL	3,292,749	2,901,761

NOTE: Approval of this CD-4 Package is based on the condition that EM will permanently dispose of the Silos 1 & 2 waste (held in interim storage at Waste Control Specialists [WCS] facility in Andrews, TX) by no later than FY 2010 year-end. \$21.3M for final disposal of this waste was included in FCP's budget formulation for FY09-13, and a Baseline Change Proposal (BCP) is currently under preparation. The above LCCs do not include the \$21.3M BCP.



CD-4 Background Information

- ◇ Fluor Fernald, Inc. DPC letter
- ◇ EM Contracting Office Determination of Reasonableness (DOR) letter to FFI
- ◇ Approval from EM-1 for EM Contracting Officer to accept physical completion of work under FFI's contract
- ◇ Program Budget Decision (PBD) request for funding target transfer to LM for FY07-11
- ◇ Site Transition Plan (STP) for the formal transfer and realignment of work scope from EM to LM
- ◇ STP Addendum with punch list of EMCBC action items, post-operational transfer of site
- ◇ Life Cycle Costs, 1997 through DPC
- ◇ Summary of Post-CD-4 activities, including Regulatory Completion and settlement of Natural Resource Damage (NRD) claim
- ◇ Summary of path forward for final disposition of Silos 1 & 2 waste, currently held in interim storage offsite



Site Transition Planning

- ◇ The STP described ten (10) major milestones under EM-1/LM-1 configuration control, achievement of which was designed to ensure an effective and efficient transition of programmatic responsibility from EM to LM.
- ◇ All EM work at FCP site was completed in early FY07, and the site was operationally transferred to LM immediately after. The FY07 Continuing Resolution has delayed actual programmatic transfer to LM until October 1, 2007, therefore, EM will continue to fund LM work onsite through FY07 year-end.
- ◇ EM's physical presence onsite is limited to one FTE (the Federal Project Director [FPD]), and the FPD is supported by staff at the EM-CBC to ensure all remaining EM obligations (e.g., contract close-out, disposition of Government-owned records, financial close-out, regulatory completion, litigation settlement) are accomplished in a timely manner.



Open STP milestones

- ◇ EM settlement of the Natural Resource Damage (NRD) claim filed by State of Ohio (EM anticipates settlement by 12/31/07)
- ◇ LM is prepared to accept remaining portions of existing regulatory agreements for the Legacy Management Institutional Control Plan (LMICP) and Operable Unit 5 (Aquifer Restoration Project) (EM will achieve Regulatory Completion by 12/31/07)
- ◇ EM satisfies Amended Consent Agreement for Operable Units 1-4 (EM will achieve Regulatory Completion by 12/31/07)
- ◇ Responsibility for Pensions & Benefits Program transferred to LM (DOE Richland will modify Fluor-Hanford contract by 10/1/07; until then, FFI continues to administer program)
- ◇ LM accepts active real property records transfer (“jurisdictional transfer” of site to LM and transfer of active real property records to LM Realty Officer will occur upon CD-4 approval)



Recommendation

- ◇ The physical work at the FCP was completed by EM.
- ◇ Contract closeout activities are proceeding on schedule.
- ◇ All CD-4 prerequisites have been met.
- ◇ CD-4 approval will be based on condition that EM will permanently dispose of Silos 1 & 2 waste (currently held in interim storage offsite) no later than FY2010 year-end.

Recommend Approval of this Conditional CD-4 for the
Fernald Closure Project



DATE:

REPLY TO

ATTN OF: EMCBC:SMILEY

SUBJECT: **APPROVAL OF CONDITIONAL CRITICAL DECISION-4 FOR CLOSE-OUT OF FERNALD CLOSURE PROJECT, PROJECT BASELINE SUMMARIES OH-FN-0013, OH-FN-0030 & OH-FN-0050**

TO: Clay Sell, Deputy Secretary (S-2)

FROM: Jack R. Craig, Director, Environmental Management Consolidated Business Center (EMCBC)

THROUGH: Dr. Ines Triay, Chief Operating Officer, Environmental Management (EM-3)

THROUGH: James Rispoli, Assistant Secretary, Environmental Management (EM-1)

ISSUE: The total life-cycle cost for the Fernald Closure Project (FCP) exceeded \$1B. Therefore, DOE Order 413.3A (Program and Project Management for the Acquisition of Capital Projects) requires approval by the Deputy Secretary (S-2) of this "Conditional" Critical Decision-4 (CD-4) for the three Project Baseline Summaries (PBS) that comprise the FCP project (OH-FN-0013, OH-FN-0030 & OH-FN-0050). This approval is based on the condition that EM will permanently dispose of FCP Silos 1 & 2 waste currently held in interim storage at Waste Control Specialists (WCS) facility in Andrews, Texas by the end of FY2010.

DISCUSSION: The FCP is a DOE-owned and operated environmental remediation project, conducted in accordance with the Comprehensive Environmental Response, Compensation & Liability Act (CERCLA). The end-state for the FCP is a Federally-owned, undeveloped park with an emphasis on wildlife. The attached memorandum to EM-3, dated May 11, 2007 provides the detailed information on the EM work conducted at the FCP, and EM's joint effort with the Office of Legacy Management (LM) to plan and execute site transition activities. The following provides a brief overview of major accomplishments at the FCP.

On November 20, 2000, EM awarded Contract No. DE-AC24-01OH20115 to Fluor Fernald, Inc. (FFI), to complete the remaining scope of the environmental remediation project and to prepare the site for long-term surveillance & maintenance of all CERCLA remedies. Operational transfer of the site to LM occurred in early FY07; however, the FY07 Continuing Resolution has delayed actual programmatic transfer of the FCP to LM until October 1, 2007. As a consequence, EM continues to fund all work performed by LM during FY07. **All EM work at the FCP site has been completed.** EM's only outstanding obligation is to permanently dispose of the Silos 1 & 2 waste, currently held in interim storage at WCS in Andrews, Texas. **Final disposal of the Silos 1 & 2**

waste is the condition upon which approval of this CD-4 Package is based. \$21.3M for final disposition of Silos 1 & 2 waste was included in FCP's budget formulation for FY09-13, and a Baseline Change Proposal (BCP) is currently under preparation. EM anticipates final disposal of this waste will occur no later than FY2010 year-end.

On October 29, 2006, FFI declared physical completion (DPC), and on November 17, 2006, EM provided FFI with the Government's determination of reasonableness (DOR). A comprehensive assessment for "Acceptance as Complete" was completed by EM, in consultation with LM. On January 18, 2007, the Assistant Secretary (EM-1) approved acceptance of the physical completion of work required from FFI. The joint-EM/LM Acceptance as Complete assessment did not identify any material deficiencies on the FFI contract; therefore, it was not necessary for EM to issue a Final Declaration Letter to FFI.

Regulatory Completion of the FCP will be a post-CD-4 activity. The aforementioned memo to EM-3 (attached) provides further details on this subject, as well as EM's obligation to settle the Natural Resources Damage (NRD) claim filed by the State of Ohio. EM estimates that Regulatory Completion will be achieved by the end of CY07, however, LM will be responsible for components of Regulatory Completion associated with Operable Unit 5 (the Aquifer Restoration Project), since final groundwater remediation is not expected to be complete until the year 2025.

EM completed the FCP project with a Life Cycle Cost (LCC) of \$2,901,761K, as summarized below. This LLC does not include the planned Baseline Change Proposal (BCP) for final disposition of the Silos 1 & 2 waste.

PBS	Planned LCC	Actual LCC
OH-FN-0013	\$1,599,160K	\$1,598,948K
OH-FN-0030	\$1,403,514K	\$1,069,205K
OH-FN-0050	\$ 290,075K	<u>\$ 233,608K</u>
Total LCC	\$3,292,749K	\$2,901,761K

A Site Transition Plan (STP) for the FCP was approved by EM-1 and LM-1 on March 29, 2005. The STP described ten milestones that were under EM-1/LM-1 configuration control, and which were designed to ensure an effective and efficient transition of programmatic responsibility from EM to LM. All of these milestones have been completed, or are on-target for completion as scheduled, in support of EM's operational transfer of the site to LM in early FY07, and EM's achievement of Regulatory Completion by CY07 year-end.

An Addendum to the STP was jointly-prepared by EM and LM on April 27, 2007. The STP Addendum functions as a "punch list" of remaining actions that need to be completed to fully-implement the aforementioned ten STP milestones. None of the open punch list items impacted EM's ability to complete all work at the FCP site, LM's ability to assume operational responsibility for the FCP in early FY07, or EM's future ability to achieve Regulatory Completion by the end of CY07. It is the EMCBC's responsibility, in consultation with LM, to complete all punch list items in the STP Addendum.

POLICY IMPACT: None.

SENSITIVITIES: None.

RECOMMENDATION: Approve Critical Decision-4 (CD-4) for the Fernald Closure Project (FCP), Project Baseline Summaries (PBS) OH-FN-0013, OH-FN-0030 & OH-FN-0050 with the condition that EM permanently dispose of the waste held at the WCS facility in Andrews, Texas by the end of FY 2010.

APPROVE: _____

DISAPPROVE: _____

DATE: _____

CONCURRENCE: Head of Contracting Authority – Jack Craig, EMCBC
Chief Operating Officer – Dr. Ines Triay, EM-3
Assistant Secretary – James Rispoli, EM-1

Attachment:

cc w/att:

Charles Anderson, EM-2
Jack Surash, EM-50
Jay Rhoderick, EM-53
Leonard Muciarro, EM-53
Ram Lahoti, EM-53
Terri Howard, EM-53
Cynthia Anderson, EM-3.2
Jack Craig, EMCBC
Johnny Reising, EMCBC
Lance Schlag, EMCBC
Ralph Holland, EMCBC
Margaret Marks, EMCBC
Tim Jones, EMCBC
Mike Owen, LM-1
David Geiser, LM-2
Jane Powell, LM-20.1

BACKGROUND INFORMATION
for
Fernald Closure Project
Conditional Critical Decision-4 (CD-4) Package



BACKGROUND INFORMATION
for
Fernald Closure Project
Conditional Critical Decision-4 (CD-4) Package

Tab	Document	Description	Approval	Action
1	"Final Disposal of Fernald Closure Project Silos 1 & 2 waste"	Background information detailing the \$21.3M in FCP's budget formulation for FY09-13, to fund EM's final disposition of Silos 1 & 2 waste (currently held in interim storage at the WCS facility in Andrews, TX).	5/11/07	None
2	October 29, 2006 letter to Timothy Jones, DOE-EMCBC Contracting Officer, from Dennis Sizemore, Fluor Fernald, Inc. Contracting Officer, titled "Contract DE-AC24-OH20115, Declaration of Physical Completion."	Fluor Fernald, Inc declares completion of physical requirements per the closure contract	10/29/06	None
3	Nov. 17, 2006 letter from Timothy Jones, DOE-EMCBC Contracting Officer, to Dennis Sizemore, Fluor Fernald, Inc. Contracting Officer, titled "Contract DE-AC24-01OH20115, Determination of Reasonableness of Declaration of Physical Completion of the Fernald Closure Project"	Letter documenting Fluor Fernald, Inc's declaration of physical completion is reasonable	11/17/06	None
4	Jan. 12, 2007 memorandum from Johnny Reising, EM Federal Project Director, through Dr. Ines Triay (EM-3), Jack Craig (Director, EMCBC) and Bill Taylor (OH Manager), to James Rispoli (EM-1) titled "ACTION: Approval of the Department of Energy's Acceptance of Physical Completion for the Fernald Closure Project (FCP)"	Memo documenting DOE has completed independent verification process of the work accomplished by Fluor Fernald, Inc., and has found no material deficiencies. Memo requests the Assistant Secretary for Environmental Management (EM-1) approve acceptance of physical completion under the Fernald closure contract. EM-1 rendered written approval of this request on 1/18/07.	1/18/07	None
5	"Post-CD-4 activities, including <i>Regulatory Completion</i> and settlement of the Natural Resource Damages (NRD) claim"	Background information summarizing some of the significant technical activities that EMCBC will complete after CD-4 is approved, including achievement of <i>Regulatory Completion</i> by the end of CY07 and settlement of the NRD claim filed by the State of Ohio in 1986.	5/11/07	None
6	Integrated Planning, Accounting and Budgeting System (IPABS) "GEN-2" reports	Documents actual Life Cycle Costs from 1997 through FY2005	7/4/06	None

7	Actual Cost of Work Performed (AWCP) from FY2006 through DPC (10/29/06), as reported in FFI's Cost Performance Report	The GEN-2 Life Cycle Costs (LLC) for 1997 through FY2005 have been augmented by the actual costs incurred by EM during FY2006 through DPC, in order to report the true LLC in the Conditional CD-4 Package for FCP.	10/29/06	None
8	"Transition Plan for the Fernald Closure Project," dated February 2005, and approved by EM-1 and LM-1 on March 29, 2005	Site Transition Plan (STP) for the Fernald Closure Project, documenting the joint EM/LM expectations for the transition activities, expected site conditions at the time of transfer, and the schedule, milestones and resources required to achieve <i>EM Completion</i> as defined in EM-1 memo dated Feb. 12, 2003 and titled "Definition of Environmental Management Completion."	3/29/05	None
9	"Addendum # 1 to the Site Transition Plan for the Fernald Closure Project," dated April 2007	STP Addendum describing all actions (EM and LM) that are not yet complete at the Fernald Closure Project. The STP Addendum was jointly-prepared in April 2007 by the EM Federal Project Director, the EMCBC Planning Team in the Office of Financial Management, and the LM Site Manager.	4/27/07	None
10	Dec. 2, 2005 memo to Susan Grant, Chief Financial Officer, from David Garman, Under Secretary for Energy, Science and Environment (S-3), Michael Owen, Director of the Office of Legacy Management (LM-1), and James Rispoli, Assistant Secretary for Environmental Management (EM-1), titled "Transfers and Realignment of Work Scope from the Office of Environmental Management to the Office of Legacy Management"	Record of the FY07-11 budget transfer for the Fernald site, from the Office of Environmental Management (EM) to the Office of Legacy Management (LM).	12/2/05	None

Tab 1:

**Background information on final disposal of Fernald Closure
Project Silos 1 & 2 waste**

Tab 1: Final disposal of Fernald Closure Project Silos 1 & 2 waste

Under the Fluor Fernald, Inc. (FFI) contract, EM was responsible for providing a disposal site for the 11e(2) radium-bearing waste stored in Silos 1 & 2 at the site, as part of the Government Furnished Services and Items (GFSI). As part of the approved November 2003 Fernald Performance Management Plan, EM required FFI to design a process plant that would produce a waste form that would comply with the Nevada Test Site (NTS) Waste Acceptance Criteria. The FCP closure project completed that process and jointly-reached an agreement with the regulatory agencies in the State of Nevada that would allow for disposal of the Silos 1 & 2 waste at the NTS.

In April 2004, just months before the first shipments to NTS were to begin, the Nevada Attorney General issued a letter stating an intent to seek a judicial ruling that would enjoin DOE from disposing of the waste at the NTS. DOE elected to pursue other alternatives and proceeded to develop other disposition pathways. In response to a subcontract Request for Proposals issued by FFI, Waste Control Specialists (WCS) proposed to store and potentially dispose of the Silos 1 & 2 waste. FFI entered into a subcontract for WCS to store the 3,776 canisters of waste for an interim period on a pad constructed at the WCS facility in Andrews, Texas, while WCS attempted to obtain a disposal license from the Texas Department of State Health Services that would allow WCS to permanently dispose of the waste at its Andrews, Texas site.

WCS resubmitted its draft license on January 12, 2007, and the draft license is currently being reviewed by the state regulator. The WCS interim storage license has been extended through October 31, 2009. EM-CBC has developed a schedule and timeline of interdependencies and a Risk Management Plan for disposal of the waste at the WCS site or at an alternative acceptable disposal facility. The Risk Management Plan is updated quarterly. A meeting was held on February 21, 2007 with USEPA Region 5 to discuss an extension to the USEPA milestone of June 6, 2007 for the DOE-EM's permanent disposal of the waste. The June 6, 2007 milestone is in the Operable Unit 4 (Silos 1 & 2) Record of Decision (ROD), Explanation of Significant Differences (ESD), which was approved by the U.S. EPA and Ohio EPA in 2005. On January 19, 2007, the Secretary of Energy also discussed the need for an extension to this milestone with the U.S. EPA Administrator. On March 15, 2007, EM-CBC submitted to U.S. EPA Region 5 a draft request for extension to the milestone, and U.S. EPA comments were received on March 26, 2007. A final extension request will be sent by EM-CBC in April 2007 and U.S. EPA approval of the proposed revised milestone (i.e., permanent disposal of Silos 1 and 2 waste by October 31, 2009) is expected in late May 2007.

Final disposal of the Silos 1 & 2 waste does not impact DOE-EM's ability to submit and gain approval of the Conditional Critical Decision-4 (CD-4) Package for Project Baseline Summaries (PBS) OH-FN-0013, OH-FN-0030 and OH-FN-0050. Nor did this issue impact LM's ability to assume operational responsibility for the FCP in early FY07, or EM's future ability to achieve Regulatory Completion by the end of CY07, and/or EM's planned transfer of Budget Authority to LM on October 1, 2007. Final disposal of the Silos 1 & 2 waste is the condition upon which approval of the CD-4 Package will be granted by the Deputy Secretary (S-2).

Tab 2:

10/29/06 letter to DOE-EMCBC Contracting Officer, from Fluor Fernald, Inc. Contracting Officer, declaring physical completion (DPC)

Fluor Fernald, Inc.
P.O. Box 538704
Cincinnati, OH 45253-8704

FLUOR

October 29, 2006

Fernald Closure Project
Letter No. C:BSOP(CA/PC):2006-0066

Mr. Timothy L. Jones, Contracting Officer
U. S. Department of Energy
EM Consolidated Business Center
250 East Fifth Street, Suite 500
Cincinnati, Ohio 45202

Dear Mr. Jones:

CONTRACT DE-AC24-010H20115, DECLARATION OF PHYSICAL COMPLETION

Reference: Fluor Fernald Letter C:BSOP(CA/PC):2006-0059, D. Sizemore to T. Jones,
"Contract Closeout Plan (Final)," dated October 9, 2006

Pursuant to Clause F.6, Declaration of Site Closure, of the subject contract, effective October 29, 2006, Fluor Fernald, Inc. (Fluor Fernald) hereby declares that the Fernald Closure Project has been physically completed in accordance with the contract Statement of Work and the Department of Energy (DOE) approved Comprehensive Exit/Transition Plan.

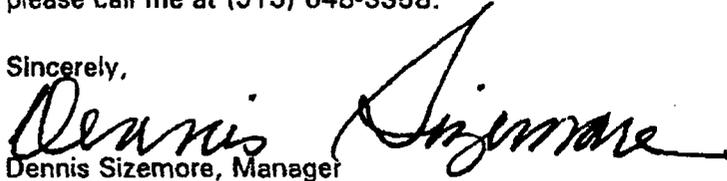
Pursuant to Clause F.6 of the contract, Fluor Fernald anticipates the DOE will decide whether this Declaration of Physical Completion is reasonable within 14 business days from the date of this letter. The Contract Closeout Plan required by Clause F.7, Contract Closeout, was transmitted to DOE on October 9, 2006, by the referenced letter.

The accelerated completion of the Fernald Closure Contract requirements demonstrates a remarkable success, one in which Fluor Fernald, its subcontractors, the DOE, the U.S. and Ohio Environmental Protection Agencies, and the local community have worked together to achieve. Fluor Fernald remains committed to providing any required support to the DOE until Fluor Fernald submits the Final Declaration of Physical Completion letter.

Mr. Timothy L. Jones, Contracting Officer
Letter No. C:BSOP(CA/PC):2006-0066
Page 2

Paul Mohr will be the Fluor Fernald Contract Closeout Manager and point of contact for contract closeout activities. If you have any questions or require additional information, please call me at (513) 648-3358.

Sincerely,


Dennis Sizemore, Manager
Prime Contract

DS:jmb

c: John S. Brown, DOE/EMCBC
Dennis J. Carr, MS 1
Mark J. Cherry, MS 1
J. D. Chiou, MS 88
Angela Cooney, DOE/EMCBC
Ralph E. Holland, DOE/EMCBC
Michele L. Miller, Stoller, MS 2
Paul E. Mohr, MS 1
Cornelius M. Murphy, MS 1
Rex Norton, MS 1
Jane Powell, DOE-LM
Adam W. Rector, MS3
Johnny W. Reising, DOE-OH/FCP, MS2
Mark L. Sucher, MS 1
William J. Taylor, DOE-OH
Tammy Terry, MS 1
File Record Subject: Declaration of Physical Completion
Administrative Record, MS 6
Letter Log Copy, MS 1

Tab 3:

11/17/06 letter from DOE-EMCBC Contracting Officer, to Fluor Fernald, Inc. Contracting Officer, documenting the Government's determination of reasonableness (DOR) of the contractor's DPC



Department of Energy

**Environmental Management
Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, Ohio 45202
(513) 246-0500**

NOV 17 2006

Mr. Dennis Sizemore
Manager, Prime Contract
Fluor Fernald, Inc.
11005 Hamilton-Cleves Hwy.
Harrison, OH 45030

EMCBC-00138-07

Mr. Sizemore:

**CONTRACT DE-AC24-01OH20115, DETERMINATION OF REASONABLENESS OF
DECLARATION OF PHYSICAL COMPLETION OF THE FERNALD CLOSURE
PROJECT**

Reference: Letter No. C:BSOP(CA/PC):2006-066, D. Sizemore to T. Jones, "Contract DE-AC24-01OH20115, Declaration of Physical Completion", dated October 29, 2006

The Department of Energy (DOE) has assessed Fluor Fernald, Inc.'s (Fluor Fernald) Declaration of Physical Completion (DPC) for the Fernald Closure Project to determine the reasonableness of the declaration. The DOE reasonableness determination has been performed in accordance with the contract requirements. Pursuant to Clause F.6 of the contract, Fluor Fernald submitted the referenced DPC letter establishing October 29, 2006 as the date of physical completion. This date projects a date of November 17, 2006 by which DOE must determine the reasonableness of the Fluor Fernald DPC.

DOE's determination of reasonableness is based upon Fluor Fernald's declaration of physical completion of the Fernald Closure Project in accordance with the contract requirements as set forth in the Section C, Fernald Closure Project End-State and Restoration Requirements, paragraph C.1.2, End State.

The DOE determination of reasonableness of Fluor Fernald's DPC does not change any rights of the Government under any terms or conditions of the contract. Under the terms of the contract, DOE will have sixty (60) calendar days to provide Fluor Fernald a punch list of material deficiencies, along with a time frame for Fluor Fernald to complete the required corrective actions, which preclude acceptance of the physical completion of the contract. DOE's reasonableness determination of DPC is dated November 17, 2006. Sixty (60) calendar days is January 16, 2007.

Mr. Dennis Sizemore

- 2 -

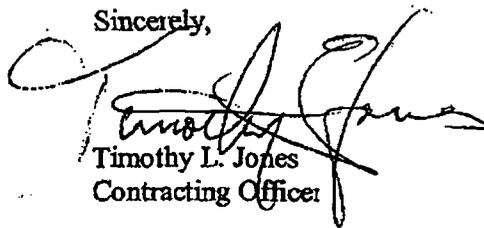
EMCBC-00138-07

DOE determines Fluor Fernald's DPC is reasonable as of the date submitted, October 29, 2006. This date shall remain fixed for incentive fee determination purposes under the terms of the contract.

DOE recognizes Fluor Fernald's and its subcontractors' contributions, safety record, and hard work to bring the Fernald Closure Project to this milestone event. DOE looks forward to working with Fluor Fernald and your continued support in accomplishing the final Fernald site closure activities.

Please contact me at (513) 246-0563 if additional information on this matter is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy L. Jones", is written over a printed name and title.

Timothy L. Jones
Contracting Officer

cc electronically:

Jane Powell, DOE-LM

Jack Craig, EMCBC

Ralph Holland, EMCBC

Nina Akgunduz, EMCBC

John Brown, EMCBC

William Taylor, DOE-OH

Johnny Reising, DOE-OH/FCP

Cornelius Murphy, FCP

Tab 4:

1/12/07 memo from the EM Federal Project Director, requesting approval from EM-1 to accept physical completion of work under the Fluor Fernald, Inc. contract (EM-1 rendered written approval on 1/18/07)

memorandum

DATE: JAN 12 2007

REPLY TO: DOE FPC:REISING *Johnny Reising 1/12/07* EMCBC-00204-07
ATTN OF:

SUBJECT: ACTION: APPROVAL OF THE DEPARTMENT OF ENERGY'S
ACCEPTANCE OF PHYSICAL COMPLETION FOR THE FERNALD
CLOSURE PROJECT (FCP)

To: James A. Rispoli, Assistant Secretary for Environmental Management, EM-1, HQ

THROUGH: Dr. Ines R. Triay, Chief Operating Officer, Office of Environmental Management *Ines Triay*

THROUGH: Jack R. Craig, Director, Environmental Management Consolidated Business Center *J.R. Craig*

THROUGH: William J. Taylor, Acting Manager, Ohio Field Office *W. Taylor 1/12/07*

ISSUE: To seek the Assistant Secretary for Environmental Management's approval for the Fernald Closure Project (FCP) Contracting Officer, Timothy L. Jones, to accept the physical completion of work required from Fluor Fernald, Inc., (FFI) under the terms of the Fernald Closure Contract No. DE-AC24-01OH20115.

DISCUSSION: The Department of Energy (DOE) entered into Contract No. DE-AC24-01OH20115 (Closure Contract) with FFI on November 20, 2000, to close the former Fernald Production Plant in a safe, compliant, and efficient manner. In order to achieve Site Closure, the following four criteria, including all Contract and Statement of Work requirements, were to be completed. The Statement of Work defined physical completion in the following criteria:

Criterion 1 (Section C.1.2, Bullet 1):

"All of the work required by the five approved Records of Decision (RODs) including approved changes. In the event that groundwater remediation has not been achieved by December 31, 2006, or sooner if all other work is completed, the Contractor shall implement a groundwater remediation approach that results in the most cost effective infrastructure remaining at Site Closure and is consistent with the Comprehensive Groundwater Strategy."

Criterion 2 (Section C.1.2, Bullet 2):

"Restoration of the site in accordance with the January 2002 Draft of the Natural Resources Restoration Plan."

Criterion 3 (Section C.1.2, Bullet 3):

"Although this contract does not include post-closure Long Term Stewardship (LTS) activities, the Contractor shall install the infrastructure and develop the necessary plans that establish the specific Long Term Stewardship activities required for the Fernald site. Infrastructure consists of the facilities and equipment necessary for institutional controls and the long term surveillance and maintenance of the remedy. Any Stewardship activities required prior to Closure shall be performed by the Contractor. The Contractor shall assure smooth transition of the site to the Contractor responsible for LTS."

Criterion 4 (Section C.1.2, Bullet 4):

"All documentation required by the site RODs shall be submitted to and accepted by the Department of Energy (DOE) for submission to the cognizant regulatory agencies. The Comprehensive Exit/Transition Plan will define the process and plans necessary to meet this requirement. For the Declaration of Site Closure (Clause F.6), the time period associated with DOE and regulatory review and acceptance of the final ROD documentation, as described in the approved Comprehensive Exit/Transition Plan, will not be considered in the establishment of the Final Closure Date for fee determination purposes. In the event the ROD requirements for groundwater remediation are not complete, submission of final ROD documentation associated with the groundwater remediation work scope is not included as part of Site Closure."

The FCP Contract type was established as a cost-plus-incentive-fee, with performance incentives for both schedule and cost performance. Contract Clause B.6 established the Target Cost, Target Fee and the Maximum Fee amounts based upon the Site Closure date of December 31, 2006 (Target Schedule Date).

FFI submitted the Declaration of Physical Completion (DPC) for the Fernald Closure Project on October 29, 2006. Per Contract Clause F.6, upon the submittal of the DPC

letter, "If the Contractor submits such a letter, the Government will have fourteen (14) business days to decide whether the Contractor's declaration is reasonable. Subsequently, the Government will within sixty (60) calendar days accept the project as complete or provide the Contractor with a final definitive punch list of material deficiencies which preclude the Government from accepting the physical completion of the contract and a time frame for completion."

Consistent with the Contract Clause F.6, a Determination of Reasonableness Assessment (DOR) was conducted. A determination that FFI's DPC was reasonable was made by the Contracting Officer on November 17, 2006, fourteen (14) business days after the receipt of the initial letter of DPC.

As required by the Contract Clause F.6 terms, a comprehensive assessment for project acceptance, or "Acceptance as Complete" was conducted. This assessment is required to be completed within sixty (60) calendar days from November 17, 2006, and consists of validation of completion of the activities identified during the DOR assessment and verification of completion of all contractual requirements, including: Regulatory, Physical, Contractual and Administrative, and Legacy Management Transfer. Identification of deficiencies during this assessment will result in the generation of a punch list of material deficiencies. Attachments A through R to this action memo summarize the verification of completion for each of the four (4) criteria. The DOE assessment has not identified any material deficiencies on the FCP Contract.

The four (4) End State criteria were stated in general terms in the Closure Contract. The nature of site closure work required the FCP verification actions utilize a variety of techniques, including in-process inspection and data trend analysis. To facilitate the process, an approved Comprehensive Exit/Transition Plan (CE/TP) was developed and followed to clarify the processes, procedures, and protocol to be used to verify physical completion. The DOE FCP personnel and FFI have worked cooperatively and proactively to implement the CE/TP. All physical completion criteria were verified through reports, assessments, field inspections, and submittal and acceptance of regulatory documents.

Field staffs of the Office of Environmental Management (EM) and Office of Legacy Management (LM) have executed the Transition Plan that was approved in March 2005. The CE/TP was also employed to facilitate a smooth transition to LM. The operation of the groundwater treatment facility and aquifer infrastructure transferred from EM to LM with the FFI DPC. The remainder of the tasks transferred at the Determination of Reasonableness. LM has maintained a continual physical presence on site since January 2006. LM participated in the physical walk downs and in the

Determination of Reasonableness Assessment and the Acceptance as Complete Assessment and has concurred in the conclusions of the FCP regarding the condition of the site and its suitability for transfer to LM for Long Term Stewardship. The FCP has developed a Legacy Management and Institutional Control Plan that was approved by both the United States Environmental Protection Agency (EPA) and the Ohio EPA in August of 2006. This Plan has been fully implemented by LM at the FCP with the cooperation of FFI.

Following the DOE acceptance of the physical completion of the FCP, the Contracting Officer will provide an acceptance of physical completion letter to FFI. Pursuant to Contract Clause F.6, DOE's acceptance of the FCP as complete without identification of material deficiencies precludes the necessity for FFI to submit a Final Declaration Letter. Contract Clause B.8 states: "After final DOE review and acceptance of the Contractor's Final Declaration of Site Closure as required by Clause F.6, the Contracting Officer will release up to 90% of the cost and schedule fee anticipated to be earned subject to availability of appropriated funds, retaining an amount determined to be necessary for settlement of the incurred costs and/or completion of performance, unless the retainage determined necessary is above 10%." The DOE calculated incentive fee amounts are shown on Attachment S. Following receipt of the FFI incentive fee invoice, the DOE will make payment, subject to availability of appropriated funds, to FFI within three (3) business days.

POLICY IMPACT: None.

SENSITIVITIES: There are three sensitivities relating to the Fernald CERCLA cleanup effort. First, under the contract, DOE was responsible to provide a disposal site for the 11c.(2) radium bearing waste stored in Silos 1 and 2 at the site as Government Furnished Services and Items (GFSI). As part of the approved November 2003 Fernald Performance Management Plan, DOE required FFI to design a process plant that would produce a waste form that would comply with the Nevada Test Site (NTS) Waste Acceptance Criteria. The project completed that process and jointly reached an agreement with the regulatory agencies in the State of Nevada and planned that the Silo 1 and 2 waste would be disposed at the NTS.

In April 2004, just months before the first shipments were to begin, the Nevada Attorney General issued a letter stating an intent to seek a judicial ruling that would enjoin DOE from disposing of the waste at the NTS. DOE elected to pursue other alternatives and proceeded to develop other disposition pathways. In response to a

subcontract Request for Proposals issued by FFI, one company, Waste Control Specialists (WCS) (an Andrews, Texas, company that specializes in storage and treatment) proposed to store and potentially dispose of the Silos 1 and 2 waste. FFI entered into a subcontract for WCS to store the 3800 canisters of waste for an interim period on a pad constructed at their facility in Andrews while WCS attempts to obtain a disposal license that would allow WCS to permanently dispose of the waste there. As of the date of this memorandum, WCS has been unable to obtain regulatory approval of their waste disposal license.

The existing Fernald Record of Decision (ROD) for Silos 1 and 2 requires that disposal must be completed by June 6, 2007. EM will continue to have responsibility for oversight and disposition of Silos 1 and 2 waste until such time as a final disposal location is identified and the waste is placed for permanent disposal.

The second sensitivity is an outstanding Natural Resources Damages claim that was brought against DOE by the Ohio Attorney General in 1986 wherein it was claimed that DOE had released hazardous substances into natural resources that are held in trust by the State of Ohio. In 1988, a Consent Decree was entered by the court which resolved the majority of the issues raised, however, it stayed the Natural Resources Damages complaint until completion of the Remedial Investigation/Feasibility Study. Over the past twenty (20) years, DOE has worked diligently with the United States Department of Justice and the Ohio Attorney General's Office to find an equitable resolution to this long standing claim. Following a series of offers and counteroffers over the past twelve (12) months, the sides have failed to reach agreement. The judge in charge of this case has set a trial date of April 24, 2007.

The third sensitivity relates to an erosion condition in waste pit 3. During the final walk down of the Operable Unit 1 (the waste pits area) an unstable soil condition was found in the south end of pit 3. The design plans required erosion control at this point. It has been determined that FFI failed to complete the installation of erosion protection and the problem was manifested when recent heavy rainfalls resulted in erosion.

FFI acknowledged the failure to install the erosion control per the design plan and has offered to immediately remedy the situation. However, the Federal Project Director has concluded that repair of this relatively minor situation at this time, because of the need to move equipment around on the site during the winter months, when soil is least stable, would likely result in substantial degradation to other areas, damage other completed work, and impede establishment of recently planted vegetation. As a result, DOE prefers to defer repairs to this area until conditions are more favorable.

FFI has agreed to defer repairs and will be required to repair the erosion and establish a proper erosion control structure at this location. The FFI costs to correct this situation will be unallowable. The Contracting Officer will withhold a sufficient amount of incentive fee to protect the Government's interest to ensure FFI completes this activity.

RECOMMENDATION: That the Assistant Secretary for Environmental Management approve acceptance of physical completion under the Fernald Closure Project Contract by Timothy L. Jones, Contracting Officer.

CONTACT: Johnny W. Reising, Director
Fernald Closure Project
(513) 648-3139

APPROVE: JA Rispoli

DISAPPROVE: _____

DATE: January 18, 2007

CONCURRENCE: Head of Contracting Authority - J. Craig
Chief Operating Officer - I. Triay

Attachments:

- Tab A: Verification Summary - Submittal and Acceptance of Remedial Action Reports
- Tab B: Verification Summary - ORISE Verification Completion
- Tab C: Verification Summary - Regulatory Requirements from the DOR Conclusions and Recommendations
- Tab D: Verification Summary - Comprehensive Exit/Transition Plan
- Tab E: Verification Summary - Contract Closeout Plan
- Tab F: Verification Summary - Contract Deliverables Submission
- Tab G: Verification Summary - Contract Requirements not covered in another Requirement area
- Tab H: Verification Summary - Administrative Requirements from the DOR Conclusions and Recommendations
- Tab I: Verification Summary - Submittal and Final Acceptance of the Comprehensive Legacy Management and Institutional Controls Plan (LMIC Plan)
- Tab J: Verification Summary - Submittal and Final Acceptance of LM Acceptance of the Responsibility Transition Packages (RTPs)
- Tab K: Verification Summary - Completion of Items from the LM Transfer from the DOR Conclusions and Recommendations
- Tab L: Verification Summary - Completion of Field Walk Downs for Declaration Areas
- Tab M: Verification Summary - Completion of Punch List from Initial Walk Downs for Declaration Areas
- Tab N: Verification Summary - Disposition of Equipment and Property
- Tab O: Verification Summary - Natural Resources Restoration Plan
- Tab P: Verification Summary - Shipment and Disposition Of Waste Material
- Tab Q: Verification Summary - Submittal of Preliminary Closeout Report (PCOR) to DOE
- Tab R: Verification Summary - Physical Requirements from the DOR Conclusions and Recommendations
- Tab S: Fee Earnings Analysis - Incentive Fee Earnings Analysis

cc:

Charles E. Anderson, EM-2, HQ
Ralph E. Holland, EMCBC
Michael W. Owen, LM-1, HQ

Tab 5:

Post-CD-4 activities, including *Regulatory Completion* and settlement of the Natural Resource Damages (NRD) claim

Tab 5: Post-CD-4 activities, including *Regulatory Completion* and settlement of the Natural Resource Damages (NRD) claim

Regulatory Completion

Regulatory Completion at the FCP is comprised of several elements, the majority of which have already been completed. The last-remaining Regulatory Completion actions did not impact LM's ability to assume operational responsibility for the FCP site in early FY07, nor do they impact EM's ability to achieve Regulatory Completion by the end of CY07, and/or EM's transfer of Budget Authority to LM on October 1, 2007. The Fact Sheet on the following pages, issued in April 2005 and titled "Development of CERCLA Remedial Action Closeout Reports for the FCP," summarizes all-remaining Regulatory Completion components, including the Remedial Action Reports (RAR) for each Operable Unit, the Preliminary Close Out Report (PCOR) for the FCP site as a whole, and the site-wide Residual Risk Assessment. The individual RARs are the first step on the way to deleting the FCP from the National Priority List (NPL). EM estimates that Regulatory Completion will be achieved by the end of CY07, however, LM will be responsible for components of Regulatory Completion associated with Operable Unit 5, since final groundwater remediation is not expected to be complete until the year 2025. The below list describes the current status of those actions that EM and LM are responsible for completing.

Actions that EM is responsible for:

Regulator-approval of Remedial Action Reports (RAR) for:

Operable Unit 1 (Waste Pits 1 - 6, Burn Pit and Clearwell) This action is complete

Operable Unit 2 (Other Wastes: Solid Waste Landfill, Lime Sludge Ponds, Active and Inactive Fly Ash Piles and Southfield Area) This action is complete

Operable Unit 3 (Production Area facilities and Legacy Waste inventories) This action is complete

Operable Unit 4 (Silos 1 & 2, and Silo 3). This action is complete

Regulator-approval of Interim Remedial Action Report for Operable Unit 5 (Contaminated Environmental media, including groundwater, surface water, sediment and soil). This action will be complete NLI December 30, 2007

Regulator-approval of site-wide Interim Residual Risk Assessment. This action will be complete NLT December 30, 2007

Actions that LM is responsible for:

Regulator-approval of Final Remedial Action Report for Operable Unit 5. This action cannot be completed until the aquifer restoration project is complete (groundwater model currently estimates completion by the year 2025)

Regulator-approval of site-wide Final Residual Risk Assessment. This action cannot be completed until the aquifer restoration project is complete (groundwater model currently estimates completion by the year 2025)



FERNALD Closure Project

FACT SHEET Development of CERCLA Remedial Action Closeout Reports for the Fernald Closure Project April 2005

BACKGROUND

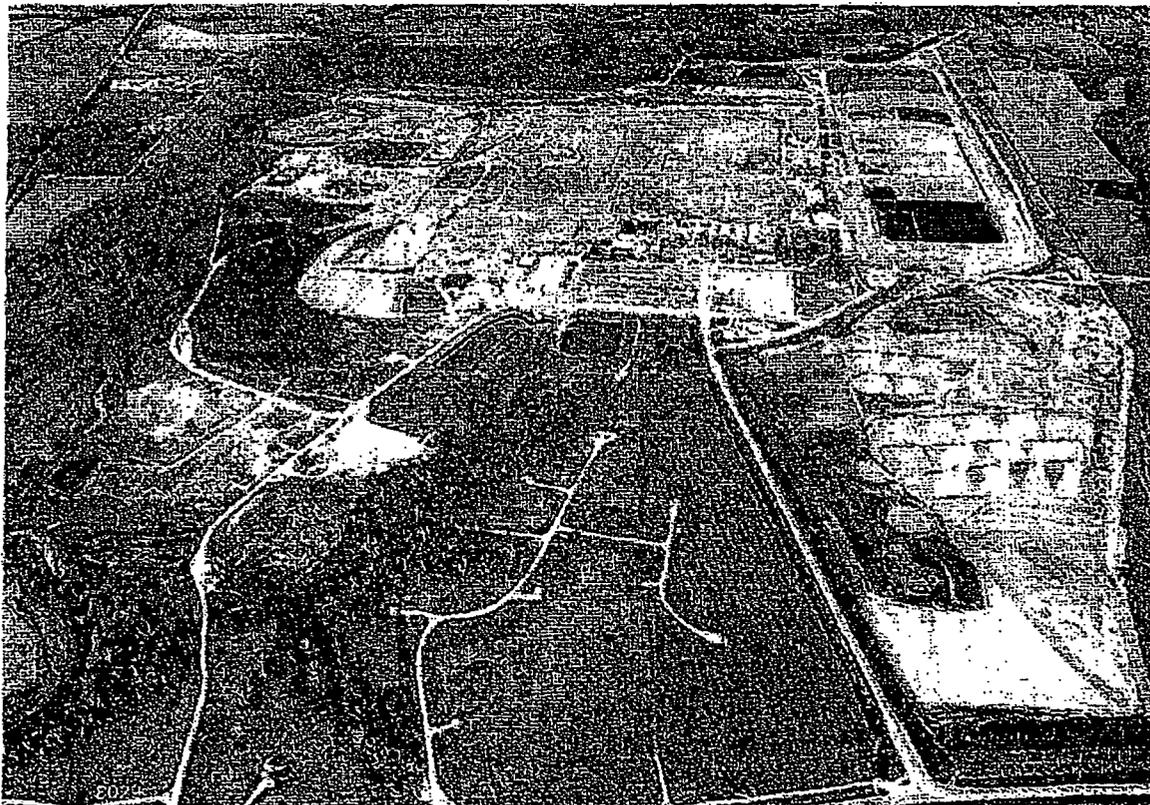
The Fernald Closure Project (FCP) is nearing physical completion of major elements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) remedial actions for the five operable units at the site. The FCP's baseline schedule is forecasting that all of the CERCLA remedial actions will be physically complete by March 2006, with the exception of aquifer restoration under Operable Unit 5, which continues as a post-closure activity. With the physical completion of the individual remedies in sight, it is appropriate to consider the closeout documentation steps that will be necessary to demonstrate the successful completion of the remedial actions.

Consistent with EPA guidance for the conduct of closeout activities for CERCLA remedial action sites, DOE and EPA have concluded that Final Remedial Action Reports will be prepared for Operable Units 1, 2, 3, and 4, and an Interim Remedial Action Report will need to be prepared for Operable Unit 5, to recognize that certain activities will continue beyond the March 2006 baseline closure date (e.g. groundwater remediation, On Site Disposal Facility monitoring and care).

The individual remedial action closeout reports are the first step on the way to deleting the FCP from the list of National Priority Sites. However, DOE and EPA recognize that to support the preparation of these reports, as well as accommodate their earliest possible submittal dates, several administrative alignments are necessary to address the physical and geographic interfaces between the five operable units. DOE and EPA believe the early submittal and approval of these reports as part of the FCP baseline is advantageous to DOE, regulator, and stakeholder interests.

DEFINITION OF THE FCP'S OPERABLE UNITS

- Operable Unit 1
Waste Pits
(Pits 1 through 6, Burn Pit and Clearwell)
- Operable Unit 2
Other Waste Units
(Solid Waste Landfill, Lime Sludge Ponds, Active and Inactive Fly Ash Piles, and Southfield Area)
- Operable Unit 3
Production Area Facilities and Legacy Waste Inventories
- Operable Unit 4
Silos 1&2 and Silo 3
- Operable Unit 5
Contaminated Environmental Media
(Soil, Surface Water, Sediment and Groundwater)



Major portions of the FCP's CERCLA response actions are nearing physical completion and regulatory focus is shifting to final closeout and documentation activities.



ALIGNMENT MODIFICATIONS

The alignment modifications described below serve to define where and how certain discrete portions of the individual operable unit remedies will be documented as part of the closeout reports. These alignment modifications do not affect the scope of the actual remedies being implemented nor the schedule for when remedial activities will be complete. The realignments are:

- Addressing the completion of soil excavation and certification activities within the Operable Units 1, 2, and 4 boundaries as part of Operable Unit 5, and documenting the completion of the soil activities associated with these source operable units within an Interim Remedial Action Report prepared under Operable Unit 5. Under this strategy, soil excavation and certification activities will be complete within all areas in accordance with the current baseline schedule of March 2006.
- Addressing the closure of the on-site disposal facility (OSDF) under Operable Unit 5 and documenting its completion through an Interim Remedial Action Report prepared under Operable Unit 5. The construction and capping of the OSDF will be complete in accordance with the current baseline schedule of March 2006. Currently, the OSDF is a recognized component of Operable Units 2, 3, and 5.
- Addressing the final step of Operable Unit 3 dismantlement and dispositioning (D&D) activities for the groundwater infrastructure remaining after March 2006, as part of an Interim Remedial Action Report under Operable Unit 5. All other D&D activities associated with the former production facilities and remediation facilities constructed under Operable Units 1, 2, and 4 will be complete in accordance with the current baseline schedule of March 2006.
- Addressing the D&D of the Operable Units 1 and 4 remediation facilities as part of the Final Remedial Action Report for Operable Unit 3.

JUSTIFICATION

The changes outlined in this fact sheet are justified as they better align the closeout of certain discrete remedial activities (e.g., soil excavation and D&D activities) historically recognized as part of the source operable units (1, 2, and 4) with Operable Units 5 and 3, as illustrated below:

- **Operable Unit 1:** One of the components of the Operable Unit 1 remedy is the excavation of contaminated soils underneath and adjacent to the waste pits. The Operable Unit 1 Record of Decision (ROD) identifies the disposition of these soils is to be made consistent with the Operable Unit 5 ROD. DOE believes the excavation, disposition and certification of the soils in the waste pit area and the final natural resource restoration of the waste pit area are appropriately Operable Unit 5 activities, and as such, should be completed and documented under Operable Unit 5 through an Operable Unit 5 Interim Remedial Action Report (discussed below).

While the soil cleanup activities will be addressed administratively in an Operable Unit 5 Interim Remedial Action Report, the physical completion of the Operable Unit 1 soils cleanup activities will continue to be executed in accordance with the current Operable Unit 1 baseline schedule.

Similarly, the D&D of the remediation facilities for Operable Unit 1 will be recognized in the Operable Unit 3 Final Remedial Action Report. With these alignment modifications, the Operable Unit 1 Final Remedial Action Report can be tentatively submitted for agency approval in spring 2005, once all waste materials (waste pit contents, caps, and liners) destined for off-site disposal have been successfully disposed of at the Envirocare disposal facility.

- **Operable Unit 2:** This operable unit consists of several miscellaneous waste units and includes the construction and operation of the OSDF. Similar to Operable Unit 1, one of the components of the Operable Unit 2 remedy is the excavation/certification of the soils surrounding and beneath the individual waste units. DOE believes the excavation, disposition and certification of the soils as well as the natural resource restoration of the former waste-unit areas are appropriately Operable Unit 5 activities, and as such, should be completed and documented under an Operable Unit 5 Interim Remedial Action Report. As with the Operable Unit 1 area soils, Operable Unit 2 area soil cleanup activities will be complete by March 2006.

In addition, DOE believes it is advantageous to address the OSDF under Operable Unit 5, through an Operable Unit 5 Interim Remedial Action Report. While the construction and operation of the OSDF was historically within the province of Operable Unit 2, the OSDF is integral to the other operable units, in particular Operable Unit 5, as it was discussed in both the Operable Unit 5 Feasibility Study and Operable Unit 5 Proposed Plan. Further, the Operable Unit 2 ROD identifies a 30-year monitoring requirement of the OSDF and the long term monitoring and care of the facility is already an Operable Unit 5 remedy component (Section 917 of the Operable Unit 5 ROD).

Aligning the OSDF closure and Operable Unit 2 soils in this way allows the Operable Unit 2 remedy to be documented as complete with the completion of waste excavation (and disposal) from the Operable Unit 2 Solid Waste Landfill subunit in the spring of 2005. The Operable Unit 2 Final Remedial Action Report can therefore be tentatively submitted for agency approval during the summer of 2005, to document that all waste removal activities from the Operable Unit 2 waste subunits are complete.



Operable Unit 3: All D&D activities for all of the former production-related facilities will be complete in accordance with the current baseline schedule of March 2006. Additionally, the D&D of the remediation facilities constructed under Operable Units 1, 2, 4, and 5 are also within the purview of Operable Unit 3, as indicated in the Operable Unit 3 ROD for Interim Remedial Action and the Operable Unit 3 Integrated RD/RA Work Plan. The D&D of these remedial action facilities will be complete in accordance with the current baseline schedule of March 2006.

However, the groundwater remedy being conducted under Operable Unit 5 will extend beyond the completion of the other remedies and will require the excavation and D&D of all remaining groundwater infrastructure (treatment facilities and pumping systems) when the groundwater remedy has been completed during the post-closure period. Because the only remaining D&D activities beyond the March 2006 closure date are associated with the groundwater infrastructure, it is appropriate to document the completion of this subset of D&D activities within the Operable Unit 5 Final Remedial Action Report that will be prepared when groundwater cleanup is complete.

Documenting the D&D of the groundwater infrastructure as part of the Operable Unit 5 Final Remedial Action Report allows DOE to close out the Operable Unit 3 remedy and prepare the Final Remedial Action Report for Operable Unit 3 once the D&D activities for the Silo's remediation facilities are complete. The Final Remedial Action Report for Operable Unit 3 can therefore be tentatively submitted for agency approval in Spring 2006.

Operable Unit 4: Similar to the Operable Unit 1 alignment, documenting the completion of soil cleanup under Operable Unit 5 and the D&D of the remediation facilities under Operable Unit 3 allows DOE to submit a Final Remedial Action Report to the regulatory agencies once the Silos waste materials have been successfully dispositioned. The Final Remedial Action Report for Operable Unit 4 can therefore be tentatively submitted for agency approval in early 2006.

As of the issuance of this fact sheet, there have been questions raised by the State of Nevada involving the location of the ultimate disposal of the Operable Unit 4 Silo waste material. The Operable Unit 4 remedy cannot be completed until the silo material has been successfully dispositioned. While every effort is being made to address the questions raised in a manner so as to remain on schedule with the current baseline date of March 2006, a delay could result in the submission of the Operable Unit 4 Final Remedial Action Report beyond the March 2006 date. In addition, such a delay could also delay the submission of the Operable Unit 3 Final Remedial Action Report because of the coinciding delay in the D&D of the Operable Unit 4 remediation facilities as well as a delay in submitting the Operable Unit 5 Interim Remedial Action Report because of the coinciding delay in the certification of Operable Unit 4 soils.

Operable Unit 5: An Interim Remedial Action Report is appropriate for Operable Unit 5 as final groundwater remediation will not be achieved by March 2006 (final remediation levels (FRLs) for surface water and sediment cannot be certified until the groundwater remedy has been completed), there will be several areas where soil certification cannot be completed because of the remaining groundwater infrastructure, and the On-Site Disposal Facility will be subject to the long-term care and monitoring requirements of the Operable Unit 5 ROD. Therefore, an Interim Remedial Action Report will be prepared under Operable Unit 5 and will be comprised of three distinct parts; one each for groundwater remediation, soils remediation, and the On-Site Disposal Facility.

In addition to the standard informational requirements of a Final Remedial Action Report, the Interim Remedial Action Report for Operable Unit 5 will contain the appropriate statements and supporting documentation including:

- A statement and supporting documentation that the groundwater remediation system is operating "properly and successfully."
- A description of activities necessary to maintain the effectiveness and integrity of the groundwater remediation system.

• A statement and supporting documentation that the OSDF and leachate collection system is operating "properly and successfully."

• A description of activities necessary to maintain the effectiveness and integrity of the OSDF and leachate collection system.

• An indication of the location of all the soil remediation areas that have been certified to achieve the FRLs defined in the Operable Unit 5 ROD as well as the location of those areas that cannot be certified because of groundwater activities still under way.

• The Operable Unit 5 Interim Remedial Action Report can be tentatively submitted for agency approval in the Spring of 2006 (A Final Remedial Action Report will be submitted for Operable Unit 5 upon completion of groundwater remediation and associated D&D/certification activities).

• The attached table summarizes the documentation steps outlined in this fact sheet.

• Preliminary Closeout Report (PCOR): In addition to the Remedial Action Reports described above, DOE and USEPA will prepare a PCOR to document construction completion at the FCP. While the Remedial Action Reports address each of the individual Operable Units, the PCOR addresses the FCP as a whole. The PCOR will be submitted for agency review before the FCP is transferred to Legacy Management, tentatively scheduled to occur in April 2006.

• DOE will continue to execute the fieldwork to complete all remedial activities in accordance with the approved RODs and baseline schedules for each operable unit.

• DOE will begin to assemble the necessary information and documentation to begin preparing the remedial action reports described above and submit the reports in accordance with a target schedule included in the attached table.

• DOE will prepare an Interim Residual Risk Assessment reflecting conditions upon the FCP entering the legacy management phase and a Final Residual Risk Assessment upon completion and certification of the groundwater remedy.



Summary of CERCLA Remedial Action Closeout Reports and Schedule

Operable Unit	Remedial Action	Report Due	Remedial Action	Report Due
	Waste pit contents successfully dispositioned off site	Final Remedial Action Report for Operable Unit 1 (Spring 2005)	Soil Remediation within Operable Unit 1 boundary D&D of Operable Unit 1 Remediation Facilities	Interim Remedial Action Report for Operable Unit 5 (Spring 2006) Final Remedial Action Report for Operable Unit 3 (Spring 2006)
	Wastes from Solid Waste Landfill, Lime Sludge Ponds, Fly Ash Piles, and Southfield successfully placed in OSDF or dispositioned off site as required	Final Remedial Action Report for Operable Unit 2 (Summer 2005)	Soil Remediation within Operable Unit 2 boundary	Interim Remedial Action Report for Operable Unit 5 (Spring 2006)
	D&D of site-wide facilities (except for groundwater infrastructure); completion of Legacy Waste disposal	Final Remedial Action Report for Operable Unit 3 (Spring 2006)	None	NA
	Silo contents for Silos 1&2 and Silo 3 successfully dispositioned off site	Final Remedial Action Report for Operable Unit 4 (Spring 2006)	Soil Remediation within Operable Unit 4 boundary D&D of Operable Unit 4 Remediation Facilities	Interim Remedial Action Report for Operable Unit 5 (Spring 2006) Final Remedial Action Report for Operable Unit 3 (Spring 2006)
	Groundwater remediation infrastructure is installed and operating	Interim Remedial Action Report for Operable Unit 5 (Spring 2006)	D&D of groundwater facilities once groundwater remedy is complete; certification of surface water and sediments	Final Remedial Action Report for Operable Unit 5 (post closure)
	Completion of all soil remediation site wide, except for beneath long-term groundwater facilities	Interim Remedial Action Report for Operable Unit 5 (Spring 2006)	Soil remediation and certification beneath groundwater facilities	Final Remedial Action Report for Operable Unit 5 (post-closure)
	The On-Site Disposal Facility is capped	Interim Remedial Action Report for Operable Unit 5 (Spring 2006)	Long-term care and monitoring	Final Remedial Action Report for Operable Unit 5 (post-closure)
Risk Assessment Documentation				
	Perform an Interim Residual Risk Assessment within 90-days of the FCP entering the legacy management phase	Will be referenced in the Operable Unit 5 Interim remedial Action Report The actual assessment will be documented under separate cover	A Final Residual Risk Assessment will be conducted subsequent to the completion of all remedial actions including groundwater certification currently targeted to be complete 2025 (1991 Amended Consent Agreement; Section XI (D))	Final Remedial Action Report for Operable Unit 5 (post-closure)



Another major component of Regulatory Completion was completed in mid-CY06, after over two years of effort on EM's part. LM assisted greatly in EM's development of the final product -- the "Legacy Management and Institutional Control Plan (LMICP)," which was approved in August 2006 by the U.S. EPA and Ohio EPA. The regulatory approval letters are found on the following pages. The LMICP has since been fully-implemented by LM, with the cooperation of Fluor Fernald, Inc. **The LMICP serves the same function as a "Long-Term Surveillance & Maintenance (LTS&M) Plan,"** development of which is one of the requirements under the EM-1/LM-1 "Terms and Conditions for Site Transition" dated February 2005. The LMICP is a two-volume document with supporting documents included as attachments to Volume II. Volume I provides the planning details for the management of the FCP site that go beyond those identified as Institutional Controls (IC) in Volume II. Volume II is primarily a requirement of CERCLA, describing the ICs component of the various CERCLA remedies. The IC and the engineering control components of the CERCLA remedies work together to protect human health and the environment. ICs are required under CERCLA when a physical remedy does not allow for full, unrestricted use or when hazardous materials are left onsite. **Volume II of the LMICP is enforceable under CERCLA.** In comparison, Volume I of the LMICP is the "Legacy Management Plan." The Legacy Management Plan is not a requirement under CERCLA, nor is it an enforceable document. It describes how Government-owned records will be managed, and it provides LM with a management plan for surveillance & maintenance of the entire site, including the On Site Disposal Facility (OSDF) cap and cover systems, the continuing groundwater remediation (pump & treat) operation, and all environmental monitoring that will continue following Site Closure. The Legacy Management Plan also includes a Community Involvement Plan that explains how the public will continue to participate in future DOE decisions affecting the FCP site.



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

Rec'd 8-9-06

AUG 07 2006

REPLY TO THE ATTENTION OF:

Mr. Johnny W. Reising
United States Department of Energy
Fernald Closure Project
175 Tri-County Parkway
Springdale, Ohio 45246

SR-6J

RE: Legacy Management and
Institutional Control Plan
Revision 1 and RTC

Dear Mr. Reising:

The United States Environmental Protection Agency (U.S. EPA) has completed its review of the United States Department of Energy's (U.S. DOE) Responses to Comments (RTC) and Revision 1, of the Legacy Management and Institutional Control Plan (LMICP).

The RTC submitted on both June 29, 2006, and July 27, 2006, have addressed U.S. EPA's previous comments. Further the responses have been incorporated into Revision 1 of the LMICP. Therefore, U.S. EPA approves the LMICP, revision 1.

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
Con Murphy, Fluor Fernald
Frank Johnston, Fluor Fernald



State of Ohio Environmental Protection Agency

Rec'd 8 14 06

401 East Fifth Street
Dayton, Ohio 45402-2911

Southwest District
TELE: (937)285-6367 FAX: (937)285-6349
www.epa.state.oh.us

Bob Taft, Governor
Bruce Johnson, Lt. Governor
Joseph P. Kancelik, Director

August 10, 2006

Mr. Johnny Reising
US Dept of Energy
Ohio Field Office
Fernald Closure Project
175 Tri County Parkway
Springdale, Ohio 45246

**RE: APPROVAL - COMPREHENSIVE LEGACY MANAGEMENT AND
INSTITUTIONAL CONTROLS PLAN VOLUME I AND II**

Dear Mr. Reising:

Ohio EPA has reviewed DOE's *Comprehensive Legacy Management And Institutional Controls Plan (LMIC) Volume I and II (20013-PL-0001) Rev. 0, Final*, received on August 10, 2006. Based upon our review, Ohio EPA approves the LMIC and has included comments to be considered for incorporation into future LMIC and SER documents.

If there are any questions, please contact me at (937) 285-6466 or Donna Bohannon at (937) 285-6453.

Sincerely,

Thomas A. Schneider
Fernald Project Manager
Office of Federal Facilities Oversight

cc: Jim Saric U.S. EPA
Mark Schupe, HSI Geotrans
Michelle Cullerton, TetraTech, EMI

Mr. Johnny Reising
August 10, 2006
Page 2

- As indicated by the relatively large positive value for the layer-specific average residuals, the kriged plume initialized in the model is biased low relative to the well concentrations specified for time equal to zero for the simulation. The initial plume in the model should be adjusted to correspond to the starting concentrations in the target monitoring wells.
- The model time stepping should be adjusted to provide concentration results that more closely correspond to the timing of the concentration measurements in the target wells. The times for the observed and simulated concentrations should correspond as closely as possible.
- The average residual for the entire model increases from 14.6 to 23.1 ug/L from the start of the simulation to the end. The growth in positive magnitude of the average residual indicates that the decline in simulated concentrations is too rapid relative to the decline in the observed values. Obviously, future monitoring data and corresponding modeling are needed to assess whether simulated concentration declines will continue to outpace observed concentration changes. As noted in the Ohio EPA comments on the 2005 SER, a too-rapid decline in the simulated dissolved concentration maybe related to inaccurate assumptions regarding the transition of uranium from the sorbed to the dissolved phase.

Settlement of the Natural Resource Damages (NRD) claim

A Natural Resources Damages (NRD) claim was brought against DOE by the Ohio Attorney General in 1986, wherein it was claimed that DOE had released hazardous substances into natural resources that are held in trust by the State of Ohio. In 1988, a Consent Decree was entered by the court which resolved the majority of the issues raised, however, it stayed the NRD complaint until completion of the Remedial Investigation/Feasibility Study at the FCP. Over the past 20 years, DOE has worked diligently with the U.S. Department of Justice and the Ohio Attorney General's Office to find an equitable resolution to this long-standing claim. Following a series of offers and counter-offers over the past 12 months, the parties have failed to reach agreement. The judge in charge of this case had set a trial date of April 24, 2007. A settlement conference with all parties was held with the judge on February 15, 2007. At that conference, the judge postponed the April 24th trial date. The judge has set a status and settlement conference for early July 2007, at which time it is anticipated that if the parties do not settle, the judge will set yet another trial date, possibly in September or October 2007.

EM's settlement of the NRD claim will occur after submittal to and approval by the Deputy Secretary (S-2) of the Conditional Critical Decision-4 Package for FCP. Settlement of the NRD claim did not impact LM's ability to assume operational responsibility for the FCP site in early FY07, nor does it impact EM's future ability to achieve Regulatory Completion by the end of CY07, and/or EM's planned transfer of Budget Authority to LM on October 1, 2007. It is EM's, not LM's, responsibility to settle the NRD claim, including payment of eventual settlement costs (if any) to the State of Ohio. EM currently anticipates settlement of the NRD claim by December 31, 2007.

Tab 6:

IPABS "GEN-2" reports, dated 7/4/06, for PBSs OH-FN-0013, OH-FN-0030 and OH-FN-0050



FY 2006 Life-Cycle Planning Summary - EM Costs

Ohio Field Office

Site Summary Level: Fernald

PBS Field Code and Name: OH-FN-0013 / Solid Waste Stabilization and Disposition-Fernald

PBS Summary Description: (limited to 1,400 characters)

The scope of the Solid Waste Stabilization and Disposition Project at the Fernald Closure Project includes the remediation and final disposition of all process-generated waste (the most radioactive and/or hazardous waste onsite) from multiple sources. These multiple sources include Silos 1 and 2 that contain radium-bearing residues from the uranium extraction of pitch-blend ores, Silo 3 that contains radium-bearing cold metal oxides, and the waste pits that contain low-level radioactive waste. In addition to these sources, millions of cubic feet of containerized waste material remained from the uranium metals production. The strategy to remediate these sources include characterization, treatment, packaging, transportation, and final disposition. Following the completion of these activities, all process-generated waste will be dispositioned, and any related structures will be turned over to another PBS for demolition.

Project Start: 10/1/2003 Mission Complete: 6/30/2006 Project End: 6/30/2006

(\$000's)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
current	97,847	89,931	148,883	160,053	161,932	194,833	276,679	252,495	162,989	53,496	0	0	0
const. 2006	97,847	89,931	148,883	160,053	161,932	194,833	276,679	252,495	162,989	53,496	0	0	0
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
current	0	0	0	0	0	0	0	0	0	0	0	0	0
const. 2006	0	0	0	0	0	0	0	0	0	0	0	0	0
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
current	0	0	0	0	0	0	0	0	0	0	0	0	0
const. 2006	0	0	0	0	0	0	0	0	0	0	0	0	0
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
current	0	0	0	0	0	0	0	0	0	0	0	0	0
const. 2006	0	0	0	0	0	0	0	0	0	0	0	0	0
	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061
current	0	0	0	0	0	0	0	0	0	0	0	0	0
const. 2006	0	0	0	0	0	0	0	0	0	0	0	0	0
	2062	2063	2064	2065	2066	2067	2068	2069	2070				
current	0	0	0	0	0	0	0	0	0				
const. 2006	0	0	0	0	0	0	0	0	0				

Estimated EM Cost Summary	1997 - 2005	2006 - 2070	1997 - 2070
Estimated EM Cost (thousands of current year dollars)	\$ 1,545,664	53,496	1,599,160
Estimated EM Cost (thousands of constant FY 2006 dollars)	1,545,664	53,496	1,599,160

I have reviewed and understand the data associated with this PBS. The life-cycle cost data represents the best approved cost data in the EM Corporate Database as of June 2006.

Federal PBS Manager: Johnny W Reising

Federal PBS Manager Signature: _____ Date: _____

* In addition to the approved life-cycle cost for this PBS contained in the EM Corporate Database, changes to the life-cycle cost have been submitted. These changes are currently under review, and upon approval the EM Corporate Database will be updated as appropriate. A summary of the life-cycle costs with the proposed changes included is provided on the next page.

**The actual Life Cycle Cost for this project is \$1,598,948 and is calculated using actual costs collected in IPABS 1997-2005 Gen-2 combined with actual cost of work performed (ACWP) from FFI's 10/29/06 Cost Performance Report.



FY 2006 Life-Cycle Planning Summary - EM Costs

Ohio Field Office

Site Summary Level: Fernald

PBS Field Code and Name: OH-FN-0030 / Soil and Water Remediation-Fernald

PBS Summary Description: (limited to 1,400 characters)

The Soil and Water Remediation Project includes the scope for soils remediation, the construction and operations of the On-Site Disposal Facility (OSDF), aquifer restoration, and environmental monitoring. Soils remediation includes excavation, hauling, and the final disposition of all contaminated soils and below-grade debris. Contaminated soils, debris, and below-grade debris meeting the waste acceptance criteria will be placed in the On Site Disposal Facility (OSDF) for final disposal. Material exceeding the waste acceptance criteria for the OSDF will be transferred for disposition offsite. Aquifer restoration includes confining and extracting uranium from the Great Miami Aquifer, as well as the management of storm water, operations of sewage treatment facilities, and groundwater monitoring. Once the soil and debris are placed in the OSDF, the facility will be closed and monitored, and the site will be certified to ensure site remediation levels have been achieved. Upon EM acceptance of the contractor's physical completion declaration, the site will be transferred to the Office of Legacy Management (OLM) for long term monitoring and maintenance. OLM will assume operational responsibility for the FCP along with the educational outreach and maintenance of an onsite information facility that is a form of Community Based Institutional Controls.

Project Start: 10/1/2003 Mission Complete: 12/31/2006 Project End: 12/31/2006

Table with columns for years (1997-2009) and rows for current and const. 2006 costs. Data shows increasing costs over time, with a significant jump in 2006.

Estimated EM Cost Summary table with columns for 1997-2005, 2006-2070, and 1997-2070. Rows show estimated EM cost in thousands of current year dollars and constant FY 2006 dollars.

I have reviewed and understand the data associated with this PBS. The life-cycle cost data represents the best approved cost data in the EM Corporate Database as of June 2006.

Federal PBS Manager: Johnny W Reising

Federal PBS Manager Signature: _____ Date: _____

* In addition to the approved life-cycle cost for this PBS contained in the EM Corporate Database, changes to the life-cycle cost have been submitted. These changes are currently under review, and upon approval the EM Corporate Database will be updated as appropriate. A summary of the life-cycle costs with the proposed changes included is provided on the next page.

** The actual Life Cycle Cost for this project is \$1,069,205 and is calculated using actual costs collected in IPABS 1997-2005 Gen-2 combined with actual cost of work performed (ACWP) from FFI's 10/29/06 Cost Performance Report.



FY 2006 Life-Cycle Planning Summary - EM Costs

Ohio Field Office

Site Summary Level: Fernald

PBS Field Code and Name: OH-FN-0050/Non-Nuclear Facility D&D-Fernald

PBS Summary Description: (limited to 1,400 characters)

The Non-Nuclear Facilities Decontamination and Dismantlement Project includes the decontamination and dismantlement of the many uranium and thorium-contaminated production facilities used during Fernald's mission of producing uranium. The disposition strategy for the debris from the decontamination and dismantlement activities is in step with the site-wide remedial strategy of shipping higher-contaminated materials offsite while disposing of less-contaminated waste in the On Site Disposal Facility. The work activities include design, engineering, and planning work needed to support the decontamination and dismantlement and debris management. The end-state of facility decontamination and dismantlement is the removal and disposition of all former production-related buildings, remediation facilities, and support structures. The D&D of the AWWT will be included in this PBS.

Project Start: 10/1/2003 Mission Complete: 6/29/2006 Project End: 6/29/2006

Table with columns for years from 1997 to 2009 and rows for current and constant 2006 costs.

Estimated EM Cost Summary table with columns for 1997-2005, 2006-2070, and 1997-2070.

I have reviewed and understand the data associated with this PBS. The life-cycle cost data represents the best approved cost data in the EM Corporate Database as of June 2006

Federal PBS Manager: Johnny W Reising

Federal PBS Manager Signature: Date:

* In addition to the approved life cycle cost for this PBS contained in the EM Corporate Database, changes to the life-cycle cost have been submitted. These changes are currently under review, and upon approval the EM Corporate Database will be updated as appropriate. A summary of the life-cycle costs with the proposed changes included is provided on the next page

**The actual Life Cycle Cost for this project is \$233,608 and is calculated using actual costs collected in IPABS 1997-2005 Gen-2 combined with actual cost of work performed (ACWP) from FFI's 10/29/06 Cost Performance Report

Tab 7:

**Actual Cost of Work Performed (AWCP) from FY2006 through
DPC (10/29/06), as reported in Fluor Fernald, Inc.'s Cost
Performance Report**

Actual Cost Of Work Performed
 Fiscal Months: October 2005 Through October 2006
 Fluor Fernald, Inc.

WBS Element	Cumulative To Date ACWP Through Sep 30, 2005	Cumulative To Date ACWP Through October 29, 2006	ACWP During Oct 2005 - Oct 2006	Oct 2005 - Oct 2006 ACWP By PBS		
				PBS 13	PBS 20	PBS 30
Waste Pks	\$295,008,000	\$295,008,000	\$0	\$0	\$0	\$0
Silos	\$408,274,000	\$461,558,000	\$53,284,000	\$53,284,000	\$0	\$0
Mixed Waste	\$8,988,000	\$8,988,000	\$0	\$0	\$0	\$0
Waste Management	\$61,860,000	\$61,860,000	\$0	\$0	\$0	\$0
Safeguards & Security	\$17,522,000	\$18,891,000	\$1,369,000	\$1,369,000	\$0	\$0
On-Site Disposal Facility	\$108,237,000	\$149,547,000	\$41,310,000	\$41,310,000	\$0	\$0
Operations & Support	\$180,854,000	\$257,957,000	\$77,103,000	\$77,103,000	\$0	\$0
Soil & Water	\$139,915,000	\$233,692,000	\$93,777,000	\$93,777,000	\$0	\$0
Program Support/Overnight	\$202,531,000	\$243,590,000	\$41,059,000	\$41,059,000	\$0	\$0
Non-Nuclear Facility D&D	\$87,376,000	\$88,341,000	\$11,965,000	\$11,965,000	\$0	\$0
Nuclear Materials	\$12,564,000	\$12,564,000	\$0	\$0	\$0	\$0
WBS Baseline Total	\$1,523,129,000	\$1,842,996,000	\$319,867,000	\$53,284,000	\$1,369,000	\$253,249,000
						\$11,965,000

Shown as \$1,523,130,000
 on the Sep 05 Cost Perf Rpt

PBS 13 - Solid Waste & Disposition
 PBS 20 - Safeguards & Security
 PBS 30 - Soil & Water Remediation
 PBS 50 - Non-Nuclear Facility D&D
 PBS 900 - Pre-2004 Completions

Tab 7: Actual Cost of Work Performed (ACWP) from FY2006 through DPC (10/29/06),
 as reported in Fluor Fernald, Inc.'s Cost Performance Report.

Tab 8:

**Site Transition Plan (STP) for Fernald Closure Project, approved
by EM-1 and LM-1 on 3/29/05**

3/24/05



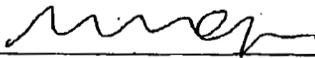
Transition Plan for the Fernald Closure Project

February 2005



**Transition Plan for the
Fernald Closure Project**

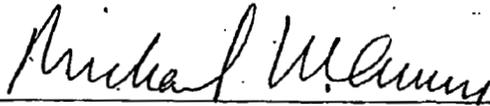
Signature Page



Paul M. Golan
Principal Deputy Assistant Secretary
Office of Environmental Management

3/29/05

Date



Michael W. Owen
Director
Office of Legacy Management

3/25/05

Date

**Office of Legacy Management and
Office of Environmental Management**

**Transition Plan for the
Fernald Closure Project**

February 2005

Developed by an integrated transition planning team comprised of representatives from LM-40, LM-50, EM (Ohio and Fernald Closure Project), the LM contractor (S.M. Stoller under DOE Contract No. DE-AC01-02GJ79491), and the Fernald site contractor (Fluor Fernald, Inc. DE-AC24-01OH20115).

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Acronyms

ACA	Amended Consent Agreement
ACD	Amended Consent Decree
AR	Administrative Record
AWWT	Advanced Wastewater Treatment
CAWWT	Converted Advanced Wastewater Treatment
CBC	[DOE-EM] Consolidated Business Center
CD-4	Critical Decision-4
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CE/TP	Comprehensive Exit/Transition Plan
D&D	Decontamination and Dismantlement
DOE	U.S. Department of Energy
EEOICPA	Energy Employees Occupational Illness Compensation Program Act
EM	[DOE] Office of Environmental Management
EPA	U.S. Environmental Protection Agency
ESAAB	Energy Systems Acquisition Advisory Board
FCP	Fernald Closure Project
FFI	Fluor Fernald, Inc.
FIMS	Facilities Information Management System
FTE	Full-Time Equivalent
FY	fiscal year
IC	institutional control
IRMTTP	Information and Records Management Transition Plan
LM	[DOE] Office of Legacy Management
LMICP	Legacy Management and Institutional Controls Plan
LSO	Local Stakeholder Organization
LTS&M	long-term surveillance and maintenance
MOA	Memorandum of Agreement
NARA	National Archives and Records Administration
NRD	National Resource Damage
OEPA	Ohio Environmental Protection Agency
OH	[DOE] Ohio Field Office
O&M	Operations and Maintenance
OSDF	On-Site Disposal Facility
OU	Operable Unit
PCB	Polychlorinated Biphenyl's
PCOR	Preliminary Closeout Reports
RA	Remedial Action
RAR	Remedial Action Report
RCRA	Resource Conservation and Recovery Act
ROD	Record of Decision
STF	Site Transition Framework
STP	Site Transition Plan

Executive Summary

The U.S. Department of Energy (DOE) Office of Legacy Management (LM) and Office of Environmental Management (EM) have initiated the transition of the Fernald Closure Project (FCP) at Fernald, Ohio, into LM for legacy management and for certain legacy worker and contract liabilities. The Fernald site, near Fernald, Ohio, is on an accelerated cleanup schedule with an anticipated completion in fiscal year (FY) 2006. Transition and project closeout of the FCP is categorized into three phases: (1) Physical Completion, (2) Regulatory Completion, and (3) Contractual/Financial Completion. The Site Transition Plan (STP) will serve as the transition/closeout planning document that integrates activities from each of these project closeout phases by identifying organizational and financial responsibilities necessary for attaining FCP closeout and obtaining Critical Decision-4 (CD-4) project closeout approval. The STP is an internal DOE management tool and is not an enforceable regulatory document. It has been developed in accordance with the Site Transition Framework (STF) guidance that identifies transition requirements in 10 functional areas. The STF is used to verify that all appropriate steps have been or will be taken to close out the site and to identify actions by both the EM and LM organizations to transfer the site to LM.

The most significant programmatic issue for transition of the FCP relates to the projected date of turnover to LM. The contractor Declaration of Physical Completion (March 31, 2006) is defined by the FCP closure contract (DE-AC24-01OH20115) and represents construction of all short and long-term response actions necessary to mitigate environmental and human health risks. For FCP, these tasks include completion of physical work associated with Operable Unit (OU) 1 through OU4, including restoration of the site in accordance with the Natural Resource Restoration Plan and establishment/installation of all infrastructure necessary for the long-term surveillance and maintenance (LTS&M) of the remedies. Upon EM acceptance of the contractor's Physical Completion declaration, LM will assume operational responsibility for the FCP; however, EM will maintain financial responsibility until Regulatory Completion and final CD-4 package approval is obtained. The FCP contract allows for a 14-day DOE review of the declaration for reasonableness; therefore, the planning date of April 19, 2006, is assumed for operational turnover to LM. The final "Terms and Conditions" between EM-1 and LM-1 dated February 15, 2005, state that the budget responsibility for a site remains with EM until the beginning of the fiscal year following cleanup completion. It should be noted that the Terms and Conditions were developed well after negotiation of the FCP closure contract. As a result, the definition of terms for physical completion by 2006 in the closure contract and cleanup completion in the EM/LM transition guidance is not equivalent. Fernald will be utilizing a site-specific strategy to resolve the discrepancy, however, it is recommended that all future closure contracts include comprehensive and integrated requirements for transition from EM to LM to prevent reoccurrence. Since (a) regulatory completion is required to certify that environmental actions have met all requirements and no additional active management is needed with the exception of long-term response actions in OU5 and (b) FCP regulatory completion is not anticipated until mid FY 2007, LM will not become responsible for the site financial requirements until the beginning of FY 2008. LM will assume responsibility for ongoing operation of the aquifer long-term response action at the time of transfer; therefore, LM will be responsible for Regulatory Completion of OUS once the aquifer restoration has been completed (estimated in the year 2025). Contractual/Financial closeout involved the completion of remaining administrative matters. This includes, but is not limited to, pending and ongoing legal actions, claims, warranties made as part of the contract, and a review of obligated

funds/payments made to the contractor/and pending invoices. Contractual/financial closeout will be completed by the EM Consolidated Business Center (CBC) following acceptance of the declaration of physical completion.

Major milestones for site transition that will be under configuration control with EM-1 and LM-1 are listed in Table 1. A timeline of overall milestones and activities that will occur during transition is included in Figure 1.

Table 1. Fernald Major Milestones

Milestone	Transition Area (noted by section number)	Completion Date
1. EM settles the National Resource Damage suit.	2.2	July 1, 2005
2. EM completes the Comprehensive Legacy Management and Institutional Controls Plan (LMICP), which also serves as the LM FCP LTS&M Plan.	2.3	March 31, 2006
3. EM with LM support completes the Program Budget Document for FY 2008.	2.6	April 15, 2006
4. EM completes transfer of records, both electronic and paper, to LM.	2.7	April 19, 2006
5. LM assumes operational responsibility and completes procedures, contracts, and/or agreements and trains resources for monitoring and maintenance of the site in accordance with the LMICP.	2.3	April 19, 2006
6. EM submits Final CD-4 Package for Energy Systems Acquisition Advisory Board (ESAAB) Approval.	2.10	June 1, 2007
7. LM is prepared to accept the remaining portions of the existing regulatory agreements for LMICP and OU5.	2.5	September 30, 2007
8. EM satisfies the Amended Consent Agreement (ACA) for OU1 through OU4.	2.5	September 30, 2007
9. Responsibility for pensions and benefits transferred to LM.	2.10	October 1, 2007
10. LM accepts active real property records/transfer.	2.4	October 1, 2007

The primary goal of the FCP transition is the efficient closeout of EM site activities and the transfer of all long-term DOE responsibilities from EM to LM in a timely manner, with no disruption of services and no negative effects on the ongoing closure mission. To ensure transition progresses on schedule, it will be managed as a project with tracking of specific actions and risks within each functional transition area. EM and LM will use this transition plan, as well as the Fernald Transition Matrix, to capture key activities and track progress. Quarterly progress reports will be provided to EM-1 and LM-1 beginning April 2005. The STP will be updated if progress against the requirements become such that milestones or actions identified are no longer valid.

Fernald Transition Documentation Timeline

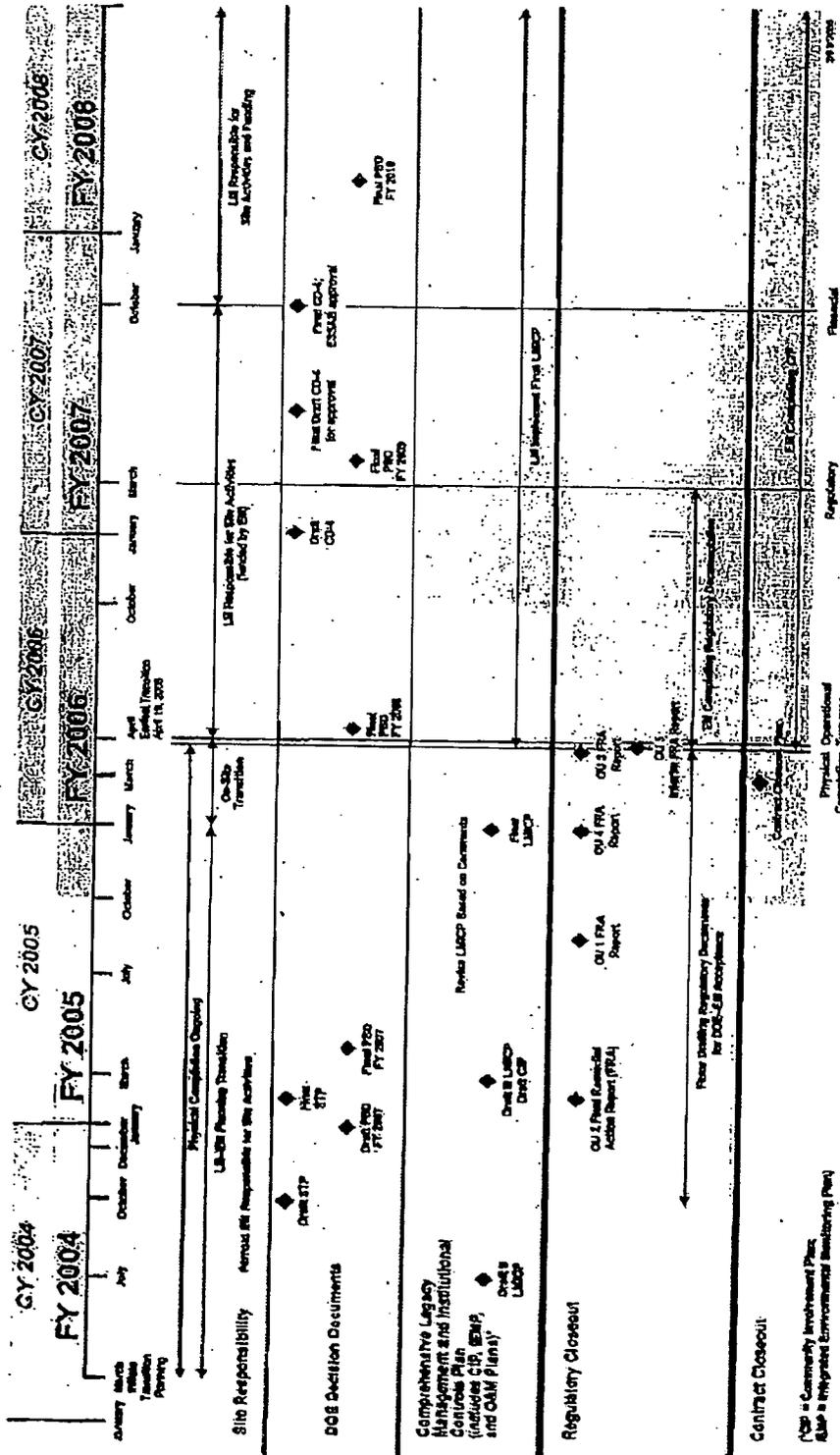


Figure 1. Fernald Transition Documentation Timeline

Key uncertainties associated with the transition process are summarized in Table 2. A qualitative measure of the potential inability to achieve overall project objectives within defined-cost, schedule, and technical constraints has been included. The measure is indicative of both the probability/likelihood and the consequences/impacts of failing to achieve the desired outcome. A designation of high represents that if the condition occurs, a major disruption is likely; medium represents some disruption; and low represents minimum disruption. Risk planning efforts to ensure risks are accepted, avoided, or mitigated are further described in Section 1.5 of this plan.

Table 2. Programmatic Risks and Risk-Handling Strategy

Risk Condition	Consequence	Risk-Handling Strategy
<p>A disposition path for the OU4 (Silos) Waste has not been identified.</p>	<p>HIGH: Physical Completion cannot occur without removal of the silo waste from the site. If a disposal contract is not in place by the date at which FFI declares readiness on the silo's project (currently projected for March 31, 2005), the ability for FFI to declare physical completion by March 31, 2006, is in jeopardy.</p>	<p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> 1. LM subcontracts will be written to begin as early as April 19, 2006, but with flexibility in the start date. 2. Assume operational transfer in FY 2006 but financial transfer in FY 2008 due to Regulatory Completion activities that will extend into FY 2007. This will also allow a contingency period for any slippage in the declaration of physical completion. 3. EM (DOE-OH) and FFI partial risk mitigation/procurement strategy is in place to remove the waste (either temporarily or permanently) to an off site permitted facility.
<p>Potential post-closure financial responsibilities resulting from the Natural Resource Damage (NRD) Settlement are unknown.</p>	<p>HIGH: The terms of the NRD Settlement need to be defined by the February 2005 time frame to support the budget formulation process for FY 2007 or there will be inadequate funds to implement the Settlement. Delay in finalizing the NRD Settlement beyond July 1, 2005, also impacts the ability of FFI to implement the terms of the Settlement by the March 31, 2006, Declaration of Physical Completion and to finalize the LMICP.</p>	<p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> 1. EM (DOE Ohio Field Office [DOE-OH]) will negotiate terms of the draft Settlement by February 1, 2005. (COMPLETE) 2. EM (DOE-OH), in consultation with LM, will include a planning assumption (based on current negotiations) for the settlement costs in the FY 2007 budget formulation process. 3. EM (DOE-OH) will finalize the Settlement by July 1, 2005, to allow for the following successor activities in the exit schedule: <ul style="list-style-type: none"> • Implement terms of the Settlement via a Record of Decision (ROD) modification by October 1, 2005. • Define requirements for the Statement of Work in support of LM procurement of a Site Management contractor by July 30, 2005. • Provide a decision by August 1, 2005 regarding whether the trailers/warehouse will remain, whether it's on site/off site, and determine the occupants. • Revise Final LMICP to include Settlement terms by January 31, 2006.

Table 2 (continued). Programmatic Risks and Risk-Handling Strategy

Risk Condition	Consequence	Risk-Handling Strategy
The ability of LM to complete procedures, negotiate contracts and/or agreements, and train resources for monitoring and maintenance of the site by April 19, 2006, is uncertain.	HIGH: The date at which procurement activities and resource training activities need to begin to ensure timely completion will be before all long-term monitoring requirements have been fully established by EM.	MITIGATION PLAN: 1. LM will begin procurement activities by July 30, 2005. EM (DOE-OH and FFI) will provide the most current information on the On-Site Disposal Facility, Converted Advanced Wastewater Treatment, NRD Settlement, etc., to support development of the Statement of Work.
Active real property records do not meet DOE criteria for transfer.	HIGH: EM (DOE-OH) has not had a certified real estate specialist on staff. Records consist of varying individual filing systems used for several years, with a varying degree of quality. If active real property records do not meet DOE criteria for transfer, the CD-4 package will be delayed, thereby delaying LM acceptance of the site.	MITIGATION PLAN: 1. Joint Richland (currently providing Real Estate support to DOE-OH) and LM assessment of OH records beginning in FY 2004 to identify actions to be completed for real property records to meet DOE criteria for transfer. (COMPLETE) 2. Quarterly follow-up assessments to be conducted in FY 2005 to monitor progress and perform interim acceptance of completed portions of the records.
The availability of a national contract for pensions and benefits management at physical completion is uncertain.	MEDIUM: The FFI contract allows for DOE direction regarding continued management of the pensions and benefits; however, costs for continued management are not currently identified in the FY 2007 budget.	MITIGATION PLAN: 1. FFI to identify options, the date at which decisions are needed to ensure continued management, and resource needs for each option in February 2005 to support FY 2007 budget formulation. 2. EM (DOE-OH) will review the alternatives and make a decision on the path forward by April 1, 2005.
As a result of the downsizing of EM (DOE-OH) offices, availability of adequate resources to support closure activities is in question.	MEDIUM: Functions of the Consolidated Business Center (CBC) for closure activities are currently being defined to minimize impacts to closure sites.	MITIGATION PLAN: 1. EM (DOE-OH) will complete a functional analysis and gap analysis. (COMPLETE) 2. The EM-CBC Director will concur on the FCP STP to serve as a Memorandum of Agreement/Understanding of closure services to be provided. (COMPLETE)
The ability for EM to achieve Regulatory Completion in FY 2007 is uncertain.	MEDIUM: Because the OU5 remedy will continue as a long-term response action, it is unclear how EM will close the Amended Consent Agreement and Amended Consent Decree in support of Regulatory Completion during FY 2007.	MITIGATION PLAN: 1. EM-CBC will be staffed by closure cadre personnel that could perform Regulatory Completion beyond FY 2007. 2. EM (DOE-OH and FFI), U.S. Environmental Protection Agency (EPA), and Ohio EPA are negotiating the schedule and logic for the Remedial Action Reports for each of the OUs that will be documented in a Closeout Report Strategy Fact Sheet.

End of current text

1.0 Introduction

The U.S. Department of Energy (DOE) Office of Legacy Management (LM) and Office of Environmental Management (EM) have initiated the transition of the Fernald site into LM for legacy management and for certain legacy worker and contract liabilities. The Site Transition Plan (STP) will serve as the transition/closeout planning document that integrates activities from each of the project closeout phases by identifying organizational and financial responsibilities necessary for attaining Fernald Closure Project (FCP) closeout and obtaining Critical Decision-4 (CD-4) project closeout approval. This Transition Plan documents the approach that EM and LM have agreed upon to ensure an expedient and efficient transition of responsibilities at the site and has been developed in accordance with the Site Transition Framework (STF) guidance. It establishes EM and LM responsibilities, the requirements that each party must meet, provides support for preparation of the critical decision documentation, and has been developed through a collaborative effort between EM and LM staff. The STP is an internal DOE management tool and is not an enforceable regulatory document.

The site is on an accelerated cleanup schedule with an anticipated completion in fiscal year (FY) 2006. Transition and project closeout of the FCP is categorized into three phases: (1) Physical Completion, (2) Regulatory Completion, and (3) Contractual/Financial Closeout. Transition of the FCP site from EM to LM will occur in phases with operational responsibility transferring upon DOE's acceptance of the contractor's Declaration of Physical Completion and financial responsibility transferring upon Regulatory Completion and Final CD-4 package approval. The contractor's Declaration of Physical Completion is defined by the FCP closure contract (DE-AC24-01OH20115) and represents construction of all short and long-term response actions necessary to mitigate environmental and human health risks. For FCP, that includes completion of physical work associated with Operable Unit (OU) 1 through OU4, including restoration of the site in accordance with the Natural Resource Restoration Plan and establishment/installation of all infrastructure necessary for the long-term surveillance and maintenance (LTS&M) of the remedies. The contractor is currently planning a March 31, 2006, declaration of Physical Completion. The FCP closure contract allows for a 14-day DOE review of the declaration for reasonableness; therefore, the planning date of April 19, 2006, is assumed for operational turnover to LM.

A Preliminary CD-4 package will be prepared prior to LM taking operational responsibility. A Final CD-4 package will be completed upon Regulatory Completion to accommodate any changes between the assumptions made at the time of Physical Completion and final resolution of those issues once all requirements of the site transition are complete.

EM Regulatory Completion for the FCP includes finalizing the Remedial Action Reports (RARs) for OU1 through OU4, the Interim RAR for OU5, and the Legacy Management Institutional Controls Plan (LMICP). The final "Terms and Conditions" between EM-1 and LM-1 dated February 15, 2005, state that the budget responsibility for a site remains with EM until the beginning of the fiscal year following cleanup completion. It should be noted that the Terms and Conditions were developed well after negotiation of the FCP closure contract. As a result, the definition of terms for physical completion by 2006 in the closure contract and cleanup completion in the EM/LM transition guidance is not equivalent. Fernald will be utilizing a site-specific strategy to resolve the discrepancy. Since (a) regulatory completion is required to certify that environmental actions have met all requirements and no additional active

management is needed with the exception of long-term response actions in OU5, and (b) FCP Regulatory Completion is not anticipated until mid FY 2007, LM will not become responsible for the site financial requirements until the beginning of FY 2008. LM will assume responsibility for ongoing operation of the aquifer long-term response action at the time of transfer; therefore, LM will be responsible for regulatory completion of OU5 once the aquifer restoration has been completed (estimated in the year 2025). Contractual/financial closeout of administrative matters will be conducted by the EM Consolidated Business Center.

To ensure transition is progressing on schedule, the transition will be managed as a project, with tracking of specific actions within each major transition area (Section 2.0). A timeline of overall milestones and activities that will occur during transition is included in Figure 1 (located in the Executive Summary). The FCP CD-4 and Site Transition implementation approach utilizes a joint EM and LM team following a four-tiered, flow-down concept, which is further discussed in Section 1.3. The joint team will monitor progress against specific actions within each transition area on a monthly basis, which will roll up to quarterly reporting to EM-1/LM-1 against the major milestones under configuration control that are identified in Table 1 (located in the Executive Summary).

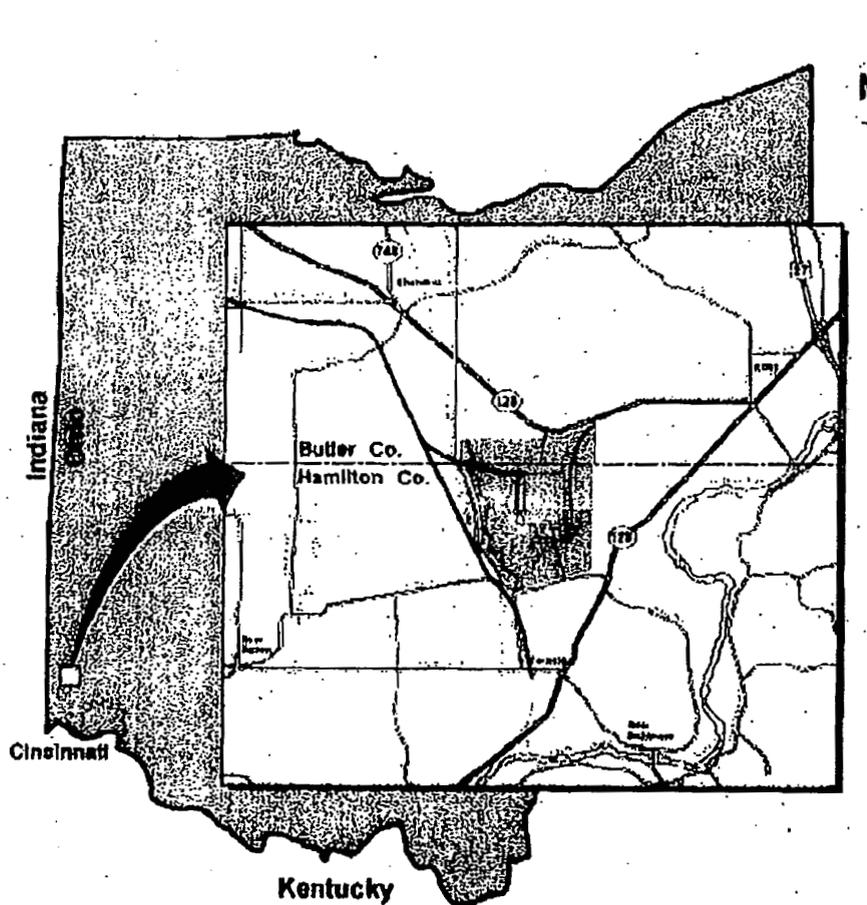
1.1 Site Background

The Fernald site (Figure 2), near Fernald, Ohio, produced "feed material" in the form of purified uranium compounds and metal for use by other government facilities involved in the production of nuclear weapons for the nation's defense. Uranium metal was produced at the Feed Materials Production Center from 1952 through 1989. The Fernald site was placed on the National Priorities List in 1986. In 1991, the mission of the site officially changed from uranium production to environmental cleanup under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as amended. The site was renamed the Fernald Environmental Management Project. Today, the site is called the FCP to reflect the current mission. Since 1992, Fluor Fernald, Inc., (FFI) has managed the remediation and restoration of the site under the terms of a prime contract with DOE. Region V of the U.S. Environmental Protection Agency (EPA) and the Southwest District Office for the Ohio Environmental Protection Agency (OEPA) provide regulatory oversight. A more complete history of the site is available in the *Legacy Management and Institutional Controls Plan (LMICP)* (DOE 2004). Documentation identifying historical uses, characterization, and many of the remedial actions can be found in the Remedial Investigation/Feasibility Study and remedial action (RA) reports (CERCLA documentation).

The site was divided into five OUs as follows. The remedy for OU1 includes removing all material from the waste pits, stabilizing the material by drying, if necessary, and shipping it off site for disposal. The remedy for OU2 includes removing material from the various units, disposing of material that meets the on-site waste acceptance criteria in the On-Site Disposal Facility (OSDF), and shipping all other material off site for disposal. The remedy for OU3 includes decontaminating and decommissioning all contaminated structures and buildings, recycling waste materials if possible, disposing of material that meets the on-site waste acceptance criteria in the OSDF, and shipping all other material off-site for disposal. The OU4 remedy includes removal and treatment of all material from the silos and shipping it off site for disposal. OU5 includes all environmental media, including soil, surface water, ground water, and vegetation. The OU5 Record of Decision (ROD) describes the approved remediation method of

pump and treat for ground water and also commits to continual evaluation of remediation technologies to allow for the improvement of the remedy with new technologies.

LM requirements and protocols will be documented in the LMICP. The LMICP outlines DOE's approach to LTS&M of the site. Figure 3 shows the conceptual land use for the Fernald property.



The Fernald site covers about 1,000 acres (176 hectares)

Figure 2. Fernald Site Map

FERNALD LEGACY MANAGEMENT

Future Use

LAND USE

- Woodlots
- Prairie
- Wetlands
- Open Water
- On-Site Disposal Facility
- Savanna



00000000 1 200

Figure 3. Conceptual Future Land Use

1.2 Goals and Objectives

The primary goal of the Fernald site transition is the efficient closeout of EM site activities and the transfer of all long-term DOE responsibilities from EM to LM in a timely manner with no disruption of services and no negative effects on the ongoing closure mission. An effective transition will be accomplished when (1) LM assumes operational and financial responsibility for all LM activities upon Physical and Regulatory Completions, (2) FCP contractual/financial closeout activities are transferred to other EM entities, and (3) DOE transition documentation meets the requirements of the EM- to LM-transition process.

To accomplish that goal, the following objectives have been established for the transition planning of the FCP from EM to LM:

- Identify all functions, programs, initiatives, activities, assets, etc., requiring transition from EM to LM, or to another EM entity, upon the successful completion of the Fernald site closure.
- Support the preparation of CD-4 documentation for project closeout.
- Establish a common understanding of EM's and LM's financial, programmatic, and legal responsibilities through the transition period.
- Ensure the requirements of the STF are met.
- Identification of functions for early transfer where appropriate and consistent with EM and LM missions.

1.3 Transition Implementation Approach

To accomplish the transition goals and objectives, the FCP CD-4 and site transition implementation approach utilizes a joint EM and LM team following a four-tiered, flow-down concept as illustrated in Figure 4. The uppermost level involves the drivers, which provide a framework of the requirements associated with CD-4 and site transition activities. The primary requirements are DOE Order 413.3, *Program and Project Management for the Acquisition of Capital Assets*, and DOE Order 430.1B, *Real Property and Asset Management*. These requirements have been further clarified in a variety of guidance documents, manuals, memoranda, and fact sheets.

For closure sites, implementation of DOE Order 430.1B is achieved with development of a disposition plan. FCP currently has a validated baseline (scope, schedule, and budget) for activities required to achieve Physical Completion; therefore, disposition planning as required by the DOE order is already complete for this portion of activities. However, activities required from the point of Physical Completion to site turnover to LM have not been developed into a comprehensive project baseline. The STP, or level two of the flow-down concept, is intended to meet DOE requirements for a disposition plan. The STP integrates the high-level requirements for scope, schedule, and budget associated with physical completion, transition, and site turnover to LM. The approach to implementation of the STP will address five key elements:

- Crosswalk to the STF, or LM's "acceptance criteria," for the FCP site;
- Work Breakdown Structure and Task Description, Roles and Responsibilities, Assumptions, and Key Actions;

FERMALD CLOSURE PROJECT CD-4 AND SITE TRANSITION IMPLEMENTATION APPROACH

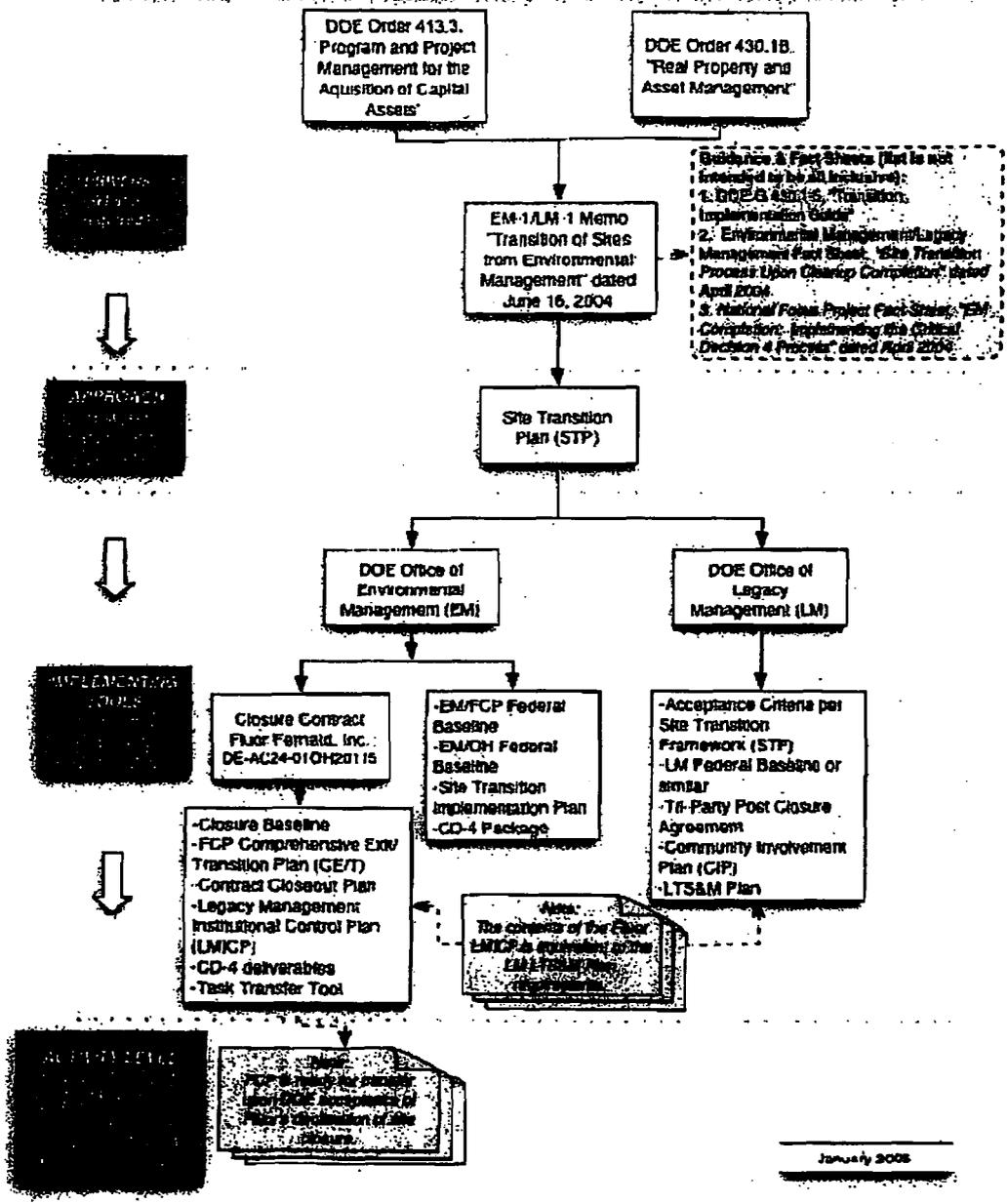


Figure 4. Fernald Closure Project CD-4 and Site Transition Implementation Approach

- Risk Management Plan addressing risks to contract completion and risks to successful transition;
- Post-Closure Life-Cycle Budget; and
- Milestone Schedule and Deliverables under configuration control.

Level three of the flow-down approach involves the site-specific implementation tools for the two primary DOE organizations: LM and the DOE Office of Environmental Management, Ohio Field Office, and Fernald Closure Project (EM/OH/FCP). EM/OH/FCP implements site restoration activities via Closure Contract DE-AC24-01OH20115 with FFI (the site contractor). Existing deliverables under the contract will be validated to satisfy STP requirements as appropriate. Specifically, the approved closure baseline, the Comprehensive Exit/Transition Plan (CE/TP), contract closeout plan, LMICP, and CD-4 documentation will address portions of the site transition requirements of the STP and CD-4 verification process. EM/OH/FCP activities are implemented using a resource-loaded federal baseline. Any additional activities identified during the transition planning will be included in the federal baseline. The LM acceptance criteria are identified in the STF, and key activities such as the possible negotiation of a Tri-Party Post-Closure Agreement will be documented in a LM Federal Baseline, or equivalent tool. Readiness for transfer to LM, or completion of CD-4 requirements, will be jointly verified and documented by EM/OH/FCP and LM for level four of the flow-down approach.

1.4 Major Transition Assumptions

Major transition assumptions include the following:

- The site contractor will submit a Declaration of Physical Completion (which includes completion of the silos project via off-site storage or disposition of the waste material in the silos) by March 31, 2006.
- EM will accept the contractor's Declaration of Physical Completion as reasonable by April 19, 2006.
- Adequate EM resources will be available through December 31, 2006, at which point continued support will be available from other EM sites, the Consolidated Business Center (CBC), or EM contractors.
- LM will have adequate funding, personnel, and site management contracts to accept operational responsibility of the site as early as April 19, 2006.
- The site will transition operational responsibility for legacy management activities from EM to LM utilizing EM budget for FY 2006 (the period following the contractor's declaration of physical completion) and FY 2007. LM budget will be utilized for FY 2008 and beyond.
- EM will remain responsible for Regulatory Completion (with the exception of OU5) and Contractual/Financial Closeout. LM will be responsible for Regulatory Completion of OU5 because of the long-term aquifer response action
- Responsibility for, and ownership of, the Fernald site will remain with the Federal Government in perpetuity.

1.5 Risk Planning

Management of the uncertainties associated with the major assumptions will be addressed on a case-by-case basis as the need arises. Risk planning efforts to ensure risks are accepted, avoided, or mitigated will be addressed during the transition planning efforts. Three primary activities are performed in the risk management process:

- Identification of risks: a regular effort to identify and document risks associated with the closure and transition of the OH sites.
- Analysis of risks: an estimation of the probability, impact, and prioritization of risks relative to each other to support a risk-handling strategy, some of which will require a mitigation plan.
- Tracking and controlling risks: collecting and reporting status information about risks and their mitigation plans (where appropriate) and taking corrective action as needed

Risks include a statement of the risk condition, consequence, and risk-handling strategy. Consequence will be determined by a qualitative analysis of risk probability and impact, indicated as High, Medium, or Low. The risk-handling strategy will be to either (1) accept and watch or (2) develop a mitigation plan. Activities with a ranking of high consequence require the development of a risk mitigation plan. Mitigation plans for activities with lower consequences will be developed on an as needed basis as determined by the FCP Transition Team. Assessment of status against identified risks and mitigation plans will be performed during the monthly OH project reviews and by the FCP Transition Team. Newly identified risks will also be included at that time.

Table 2 (located in the Executive Summary) provides a summary of the key uncertainties associated with the transition process and the risk-handling strategy for each. The status will be provided in the quarterly transition status reports to EM-1 and LM-1. A more detailed description of the uncertainties and risk-handling strategy by functional area is provided in Section 2.0.

2.0 Status of Site Transition

The Site Transition Framework is a tool that is used to verify that all appropriate steps have been or will be taken to close out the site by establishing requirements in 10 functional areas:

1. Authorities and Accountabilities
2. Site Conditions
3. Engineered Controls, Operation and Maintenance, Emergency/Contingency Planning
4. Institutional Controls, Real and Personal Property, and Enforcement Authorities
5. Regulatory Requirements and Authorities
6. Long-Term Surveillance and Maintenance Budget, Funding, and Personnel
7. Information and Records Management
8. Public Education, Outreach, Information, and Notice
9. Natural, Cultural, and Historical Resource Management
10. Business Closure Functions, Pensions and Benefits, Contract Closeout or Transfer

The subsequent sections of this chapter provide a brief explanation of the above functional areas and the status of each. Status is presented in the following manner: (1) Status and Approach at Signing of This Transition Plan; (2) Expected Conditions at Transition/Transfer; (3) Major Actions, Lead Organization, and Schedule; and (4) Key Uncertainties, Risk, and Risk Mitigation Strategies.

The major milestones, representing completion dates of key activities necessary to maintain the transition assumptions identified in Section 1.4, are listed in Table 1 (located in the Executive Summary). The status of milestones identified in Table 1 and progress against risk handling strategies for the high risk activities identified in Table 2 will be included in the quarterly transition status reports to EM-1 and LM-1. More detailed descriptions of the transition milestones by functional area are provided in Section 2.0. Milestones identified in Section 2.0 that are not listed in Table 1 are not under EM-1 and LM-1 configuration control and will not be included in quarterly reporting. These milestones have been included to illustrate the general logic and timing of key activities between now and transition but may contain float. Therefore, milestones and risk handling strategies identified in Section 2.0 may be revised by the FCP Transition Team to manage project risks as appropriate. Because of the nature of the site transition framework, many of the assumptions, conditions at transition/transfer, and major actions/uncertainties contain repeated themes throughout the 10 functional areas. An attempt has been made in this plan to reduce these redundancies. For example, the completion of the LMICP and settlement of the National Resource Damage (NRD) suit have tangible impacts to most of the areas but are only discussed in the one or two areas that are most directly applicable. Redundancies that remain in this plan were intentionally left to ensure full understanding of the context of the issue.

2.1 Authorities and Accountabilities

Sites are required to ensure all documents allocating roles and responsibilities of interested parties have been approved and signed, to identify responsibilities and funding for legacy management activities, and to determine whether the appropriate government policies and procedures for managing resources are incorporated in the LMICP and respective agreements.

2.1.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH) is completing remediation of the site through a closure contract (Contract DE-AC24-01OH20115) with FFI.
- EM (DOE-OH and FFI) and LM have resolved the planning dates of operational and financial turnover to LM.
- LM is preparing to assume operational responsibility as early as April 19, 2006.
- EM-1 and LM-1 have finalized Terms and Conditions for transition of EM sites.
- EM-CBC has been established and is expected to operationally stand up by June 2005.

2.1.2 Expected Site Conditions at Transition/Transfer

- EM-1 and LM-1 Terms and Conditions for transition of EM sites will remain consistent with the version dated February 15, 2005.
- EM-CBC will have assumed responsibility for Regulatory Completion and Contractual/Financial Closeout of the site.
- EM (DOE-OH) will have identified funding sources for each activity in FY 2007 budget requests and LM will have identified funding sources for each activity in FY 2008 budget requests (see Section 2.6).

2.1.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH), in consultation with LM, will submit a quarterly report on transition activities to EM-1 and LM-1 beginning April 2005 covering the second quarter of the FY. EM (CBC-Cadre), in consultation with LM, will submit quarterly reports on transition to EM-1 and LM-1 beginning January 2007.
- EM-CBC will assume Contractual/Financial Closeout responsibility no later than March 31, 2006.
- FFI will accomplish the Declaration of Physical Completion by March 31, 2006.
- EM (DOE-OH/CBC), in consultation with LM, will accept FFI's Declaration of Physical Completion as reasonable by April 19, 2006.
- LM will be ready to assume operational responsibility as early as April 19, 2006.

2.1.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Authorities and Accountabilities		
Risk Condition	Consequence	Risk-Handling Strategy
The ability of FFI to achieve Physical Completion by March 31, 2006, is uncertain.	HIGH: If project risks to completion (e.g., waste disposition pathways discussed in subsequent sections) are not resolved, the March 31, 2006, Declaration of Physical Completion is in jeopardy	MITIGATION PLAN: 1. LM subcontracts will be written to begin as early as April 19, 2006, but with flexibility in the start date. 2. Assume operational transfer in FY 2006 but financial transfer in FY 2008 due to regulatory completion activities that will extend into FY 2007. This will also allow a contingency period for any slippage in the Declaration of Physical Completion. 3. Procurement strategy is in place to remove the waste (either temporarily or permanently) to an off-site permitted facility.

2.2 Site Conditions

Sites are required to ensure that all remedies and remaining hazards have been identified and documented at Physical Completion, to complete a conceptual model for LM, to ensure that all remedial actions(s) and associated documentation have been completed and approved by regulators, and to identify and document any NRD claims.

2.2.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is implementing restoration of the site in accordance with the Records of Decision (RODs) for OU1-OU5.
- EM (DOE-OH and FFI) is converting the existing Advanced Wastewater Treatment (AWWT) facility to the smaller Converted Advanced Wastewater Treatment (CAWWT) facility.
- EM (DOE-OH and FFI) is completing decontamination and dismantlement (D&D) and soil remediation of the site. The OSDF has three cells filled and capped, one cell filled and in the process of being capped, and four cells in the process of being filled.
- EM (DOE-OH and FFI) is completing 13 Natural Resource Restoration projects in anticipation of NRD Settlement.
- EM (DOE-OH) is negotiating settlement of the NRD suit with the OEPA.
- LM is preparing to assume responsibility for management of DOE property, all surveillance and maintenance requirements, and completion of OU5 (including the final Remedial Action Report for OU5).

2.2.2 Expected Site Conditions at Transition/Transfer

- EM (DOE-OH and FFI) will have installed all infrastructure necessary for LTS&M of the remedies. This includes an information repository, the OSDF, a wastewater treatment facility, and the aquifer remediation-related infrastructure. The OSDF will occupy 75 acres of the site; the remainder of the site consists of 140 acres of wetland and ponds, 360 acres of savanna/prairie grass, 49 acres infrastructure/set aside, and approximately 400 acres of wooded land (see conceptual representation shown on Figure 3).
- EM (DOE-OH and FFI) will have ensured that the expected conditions of the site are adequately understood and documented in five RODs, Remedial Action Reports for OU1 through OU4, and the Interim Remedial Action report for OU5.
- EM (DOE-OH and FFI) will have completed 13 Natural Resource Restoration projects in support of NRD Settlement.
- EM (DOE-OH and FFI), in consultation with LM, will have negotiated the terms of acceptance of the Declaration of Physical Completion via the CE/TP document.
- EM (DOE-OH), in consultation with LM, will have finalized and implemented the NRD Settlement.

2.2.3 Major Actions, Lead Organization, and Schedule

- FFI will complete the conversion of the existing AWWT facility to the smaller CAWWT by February 28, 2005. (COMPLETE)
- EM (DOE-OH/CBC and FFI), in consultation with LM, will negotiate terms of acceptance of the Declaration of Physical Completion via the CE/TP document by March 31, 2005.
- EM (DOE-OH), in consultation with LM, will finalize terms of the NRD Settlement by July 1, 2005 (identified as a major milestone in the Executive Summary).
- FFI will complete OU4 (silos), including D&D and waste management, by March 31, 2006.
- EM-CBC-Cadre, in consultation with LM, will finalize the Remedial Action Reports for OU1 through OU4 and the Interim Remedial Action Report for OU5 by September 30, 2007.
- LM will finalize the Remedial Action Report for OU5 upon completion of the aquifer long-term response action (estimated in the year 2025).

2.2.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Site Conditions		
Risk Condition	Consequence	Risk-Handling Strategy
A disposition path for the OU4 (silos) waste critical path project has not been identified	HIGH: Physical Completion cannot occur without removal of the silo waste from the site. If a disposal contract is not in place by the date that FFI declares readiness on the silos project (currently projected for March 7, 2005), the ability for FFI to declare Physical Completion by March 31, 2006, is in jeopardy.	MITIGATION PLAN: 1. LM subcontracts will be written to begin as early as April 19, 2006, but with flexibility in the start date. 2. Assume operational transfer in FY 2006 but financial transfer in FY 2008 due to regulatory completion activities that will extend into FY 2007. This will also allow a contingency period for any slippage in the declaration of physical completion. 3. EM (DOE-OH) and FFI partial risk mitigation/procurement strategy is in place to remove the waste (either temporarily or permanently) to an off site permitted facility.
The ability of FFI to disposition remediation equipment and waste generated in projects completing on or near the March 31, 2006, Physical Completion date is uncertain.	MEDIUM: Because some remediation equipment will be used up until the point of Physical Completion and newly generated waste will result from ongoing operations (i.e., CAWWT), it is not reasonable to assume all equipment and waste will be dispositioned by the date of declaration. Failure to negotiate reasonable acceptance criteria could delay DOE's acceptance of Physical Completion.	MITIGATION PLAN: 1. EM (DOE-OH) and FFI will negotiate acceptable inventories of equipment and waste that may be dispositioned in a reasonable timeframe post Physical Completion by March 31, 2005, using the CE/TP

Site Conditions		
Risk Condition	Consequence	Risk-Handling Strategy
The infrastructure requirements resulting from the terms of the NRD Settlement are uncertain.	MEDIUM: Delay in finalization of the settlement terms may delay the ability of FFI to implement required infrastructure prior to the planning date for FFI Physical Completion.	ACCEPT AND WATCH: If NRD Settlement is not obtained by July 1, 2005, then develop mitigation plan.
A disposition path for the orphan RCRA waste container (i.e., Polychlorinated Biphenyl (PCB) and F027 waste) is uncertain.	MEDIUM: Physical Completion cannot be achieved without identification of a temporary storage or disposition pathway for the orphan waste.	ACCEPT AND WATCH: FFI is established a disposition milestone of September 30, 2005 for the orphan waste. If an off-site storage location or disposition pathway is not identified by the milestone, a mitigation plan for transition should be developed.

2.3 Engineered Controls, Operations and Maintenance Requirements, and Emergency/Contingency Planning

Sites are required to identify and document all engineering controls and operations and maintenance (O&M) activities, to identify contractor activities and provide funding to perform the work, and to identify any engineering/contingency planning, authority, and responsibilities.

2.3.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is responsible for all O&M requirements including emergency contingency planning for an information repository, the completed OSDF cells, the AWWT, and the aquifer remediation-related infrastructure.
- EM (DOE-OH and FFI), in consultation with LM, is negotiating the Draft LMICP with federal and state regulators following issuance of the plan in July 2004.
- EM (DOE-OH and FFI), in consultation with LM, is developing a Comprehensive Ground Water Exit Strategy for the aquifer long-term response action.
- EM (DOE-OH and FFI), in consultation with LM, is continuing negotiation with regulators regarding the definition of restored area success in order to define monitoring and maintenance requirements.
- LM, in consultation with EM (DOE-OH), has initiated preliminary discussions with local county parks for possible arrangements regarding post-closure management of the site (excluding the OSDF, CAWWT, and aquifer remediation facilities).

2.3.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH and FFI), in consultation with LM, will have established and implemented engineered controls for the OSDF, an active ground water treatment system, aquifer remediation infrastructure, and the new water treatment facility (CAWWT).
- EM (DOE-OH and FFI) will have transferred engineering drawings, as-builts, maps, and other site documentation to LM.
- EM (DOE-OH and FFI), in consultation with LM, will have developed a site-specific hazard analysis document for the FCP conditions post-closure.

- EM (DOE-OH and FFI), in consultation with LM and EM-CBC, will have developed a Site Emergency Plan.
- LM, in consultation with EM (DOE-OH), will have established post-closure management of the site for areas excluding the OSDF, CAWWI, and aquifer remediation facilities.
- EM (DOE-OH and FFI), in consultation with LM, will have completed the LMICP (which serves as the LM FCP LTS&M Plan).
- LM will have ensured all resources and management contracts are in place to assume operational responsibility.

2.3.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH and FFI) will complete a final approved O&M Plan for the CAWWT by January 31, 2006.
- EM (DOE-OH and FFI) will provide LM operational history, as-built drawings, and O&M procedures for the OSDF and CAWWT by March 31, 2006.
- EM (DOE-OH/CBC) will terminate agreements with local hospitals and the subcontracted response force for emergency services by April 19, 2006. LM will ensure the provision of emergency services to the site by April 19, 2006.
- LM assumes operational responsibility and complete procedures, contracts, and/or agreements and trains resources for monitoring and maintenance of the site in accordance with the LMICP by April 19, 2006 (identified as a major milestone in the Executive Summary).
- EM (DOE-OH and FFI), in consultation with LM, will complete an approved ground water exit strategy by March 31, 2006.
- EM (DOE-OH and FFI), in consultation with LM, will complete an approved LMICP by January 31, 2006 (identified as a major milestone in the Executive Summary).

2.3.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Engineered Controls, Operations and Maintenance Requirements, and Emergency/Contingency Planning		
Risk Condition	Consequence	Risk-Handling Strategy
The ability of LM to complete procedures, negotiate contracts and/or agreements, and train resources for monitoring and maintenance of the site by April 19, 2006, is uncertain.	HIGH: The date at which procurement activities and resource training activities need to begin to ensure timely completion will be before all long-term monitoring requirements have been fully established by EM.	MITIGATION PLAN: 1. LM will begin procurement activities by July 30, 2005. EM (DOE-OH and FFI) will provide the most current information on the OSDF, CAWWT, NRD Settlement, etc., to support development of the Statements of Work.

Engineered Controls, Operations and Maintenance Requirements, and Emergency/Contingency Planning		
Risk Condition	Consequence	Risk-Handling Strategy
Post-closure O&M responsibilities resulting from the NRD Settlement are unknown.	MEDIUM: Delay in NRD Settlement and negotiation of criteria for restored area monitoring and maintenance beyond July 1, 2005, impacts completion of the LMICP.	MITIGATION PLAN: 1. EM (DOE-OH) will negotiate terms of the draft Settlement by February 1, 2005. (COMPLETE) 2. EM (DOE-OH) will finalize the Settlement by July 1, 2005, to allow completion of the Final LMICP by January 31, 2006.
The regulatory time frame for approval of institutional controls is uncertain	MEDIUM: Timely regulatory approval is necessary to allow for incorporation of institutional controls (ICs) into the Final LMICP by January 31, 2006. Delay in regulatory approval could impact FFI's ability to complete the LMICP by the Declaration of Physical Completion as required by the closure contract.	MITIGATION PLAN: 1. EM (DOE-OH) and FFI will provide interim revisions to the LMICP in July 2004 (COMPLETE) and March 2005. 2. EM (DOE-OH) and FFI will provide regulators with preliminary proposals of institutional controls for the CAWWT to ensure maximum time for review and approval.

2.4 Institutional Controls, Real and Personal Property, and Enforcement Authorities

Sites are required to identify and document all land use/institutional controls (ICs), to ensure that they are approved by the regulators and implemented and to ensure that property records are complete.

2.4.1 Status and Approach at Signing of This Transition Plan

- The site is federally owned.
- EM (DOE-OH and FFI) has numerous easements and rights-of-entry agreements established with surrounding property owners.
- EM (DOE-OH and FFI) has been routinely dispositioning personal property in accordance with applicable regulations.

2.4.2 Expected Conditions at Transition/Transfer

- The site will remain in federal ownership in perpetuity.
- EM (DOE-OH/CBC and FFI) will have documented the real estate history of the site, including identification of former property owners, deed restrictions, and other land-use restrictions.
- EM (DOE-OH/CBC and FFI) will have established and documented on-site and off-site real estate instruments (easements, rights-of-way, etc.).
- EM (DOE-OH/CBC and FFI) will have transferred all personal property not identified by LM as necessary for post-closure activities in accordance with applicable regulations.
- EM (DOE-OH/CBC and FFI) will have updated the Facility Information Management System (FIMS) database to reflect the conditions at transfer.

2.4.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH and FFI) and LM will identify the process for identification of post-closure personal property needs by March 1, 2005. **(COMPLETE)**
- EM (DOE-OH/CBC and FFI), in consultation with LM, will request exemption to new FIMS requirements and approval to perform advanced archiving by September 30, 2005.
- LM will conduct an interim assessment regarding the active real property records by October 1, 2005.
- EM (DOE-OH/CBC, and FFI), in consultation with LM, will evaluate real property interests and terminate unneeded interests by March 31, 2006.
- EM (DOE-OH/CBC, and FFI), in consultation with LM, will have completed archival of the FIMS database by March 31, 2006.
- LM will accept active real property records by October 1, 2007 (identified as a major milestone in the Executive Summary).

2.4.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Institutional Controls, Real and Personal Property, and Enforcement Authorities		
Risk Condition	Consequence	Risk-Handling Strategy
Active real property records do not meet DOE criteria for transfer.	HIGH: EM (DOE-OH) has not had a certified real estate specialist on staff. Records consist of varying individual filing systems used for several years, with a varying degree of quality. If active real property records do not meet DOE criteria for transfer, the CD-4 package will be delayed, thereby delaying LM acceptance of the site.	MITIGATION PLAN: <ol style="list-style-type: none"> 1. Joint Richland (currently providing real estate support to EM (DOE-OH)) and LM assessment of OH records in FY 2004 to identify actions to be completed for real property records to meet DOE criteria for transfer. 2. DOE-Richland quarterly follow-up assessments to be conducted in FY 2005 to monitor progress and perform interim acceptance of completed portions of the records. 3. LM to conduct an interim check by October 1, 2005.
The ability of FFI to disposition personal property used in projects completing on or near the March 31, 2006, Physical Completion date is uncertain.	HIGH: Because some personal property will be used up until the point of Physical Completion, it is not reasonable to assume all equipment and waste will be dispositioned by the date of declaration. Failure to negotiate reasonable acceptance criteria could delay DOE's acceptance of Physical Completion.	MITIGATION PLAN: <ol style="list-style-type: none"> 1. EM (DOE-OH) and FFI will negotiate acceptable inventories of equipment and waste that may be dispositioned in a reasonable timeframe post Physical Completion by March 31, 2005, via the CE/TP

2.5 Regulatory Requirements and Authorities

Sites are required to identify all regulatory decision documents and associated site characterizations that have been completed or closed out, to verify that implemented remedy and associated LTS&M activities are in compliance with regulatory requirements and to make available any future reviews that are planned and consistent with guidance. Sites are required to communicate status and path forward on any applicable regulatory requirements, such as Resource Conservation and Recovery Act (RCRA) permits and U.S. Nuclear Regulatory Commission licenses and to identify the location of pertinent regulatory documents and to ensure a maintenance schedule or process is in place.

2.5.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is working on all regulatory decision documents in support of remedies for OU1 through OU5.
- EM (DOE-OH and FFI) is beginning to sunset permits and agreements.
- LM is evaluating the need for a Post-Closure Tri-Party (DOE, USEPA, and OEPA) Agreement.

2.5.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH and FFI) will have sunset all permits and agreements not required for LM activities and will have transferred those required for LM activities to LM.
- LM will have protocols in place to adhere to existing/unclosed regulatory agreements upon acceptance of operational responsibility for the site while Regulatory Completion is finalized.
- LM, in consultation with EM-OH, will have determined the scope and will have negotiated the Post-Closure Tri-Party Agreement as appropriate.

2.5.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH and FFI) will transfer regulatory programs (i.e., National Pollutant Discharge Elimination System, RCRA, Superfund Amendments and Reauthorization Act) by April 19, 2006.
- EM (DOE-OH/CBC-Cadre), in consultation with LM, will complete the second Five Year CERCLA report by May 30, 2006.
- EM-CBC-Cadre, in consultation with LM, will complete the annual site environmental report using calendar year 2005 data by June 30, 2006.
- EM-CBC-Cadre will satisfy the Amended Consent Agreement (ACA) for OU1 through OU4 by September 30, 2007 (identified as a major milestone in the Executive Summary).
- EM-CBC-Cadre, in consultation with LM, will close out portions of regulatory components including the ACA and the Amended Consent Decree (ACD) by September 30, 2007.
- LM will accept the remaining portions of the existing regulatory agreements for the LMICP and OU5 by September 30, 2007 (identified as a major milestone in the Executive Summary).

- LM, in consultation with EM-CBC-Cadre, will negotiate a Post-Closure Tri-Party Agreement (if determined necessary) by September 30, 2007.

2.5.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Regulatory Requirements and Authorities		
Risk Condition	Consequence	Risk-Handling Strategy
The ACD is unclear concerning when the State will declare completion.	MEDIUM: The ACD defines termination as "provisions of this Agreement shall be deemed satisfied upon the receipt of written notice from EPA that DOE has demonstrated to EPA's satisfaction that all terms of this agreement have been completed." Specific regulator expectations have not been defined at this time.	MITIGATION PLAN: 1. EM (DOE-OH and FFI), USEPA, and OEPA are negotiating the schedule and logic for the RARs and Preliminary Closeout Reports (PCORs) for each of the OUs that will be documented in a Closeout Report Strategy Fact Sheet. 2. A court date will be requested upon regulator acceptance of the RARs.
The time frame necessary for LM to negotiate a Post-Closure Tri-Party Agreement is uncertain.	LOW: The existing regulatory agreements are heavily focused on remedial investigation and remedial design; not post-remedy and long-term response action needs.	ACCEPT AND WATCH: The existing FFA would be acceptable to support the LTS&M activities until a new Post-Closure Tri-Party Agreement is negotiated.

2.6 Long-Term Surveillance and Maintenance Budget, Funding, and Personnel

Sites are required to develop technical baseline documents for LM activities and to identify personnel requirements necessary for such activities.

2.6.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH) has conducted a functional analysis in determining life-cycle federal staff requirements and transfer of function to the EM-CBC.
- EM (DOE-OH and FFI) is developing cost estimates for legacy management for FY 2007 through FY 2012.

2.6.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH) will have 44 full-time equivalents (FTEs) by October 1, 2005 supporting all Ohio functions. EM (DOE-OH) will "sunset" federal FTEs to zero in FY 2007 following mission completion at Ashtabula/Columbus/Fernald/Mound Projects, transfer of contract closeout responsibilities to the EM-CBC, and transfer of West Valley Demonstration Project FTE's to another EM entity.
- EM (DOE-OH) FTE requirements for transition will have been supported by EM-CBC and LM.
- LM will have ensured personnel are trained and ready to perform LM tasks according to approved plans and procedures.
- EM (DOE-OH) will have requested funding through FY 2007. EM-CBC will have provided all funding for LM activities from Physical Completion through the end of FY 2007. LM will have requested funding for LM activities starting in FY 2008.

- EM (DOE-OH), in consultation with LM, will have developed a validated baseline and supporting basis of cost estimates.

2.6.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH), in consultation with LM, will have developed a validated baseline and supporting basis of cost estimates for five years post closure by March 31, 2004.
- EM (DOE-OH and FFI), in consultation with LM, will prepare funding requests for FY 2007 beginning in February 2005.
- LM, in consultation with EM (DOE-OH/CBC), will prepare a staffing/resource plan through FY 2025 by March 31, 2005.
- LM, in consultation with the EM-CBC, will prepare funding requests for FY 2008 and beyond beginning in February 2006.
- LM, in consultation with EM-CBC, completes the Program Budget Decision for FY 2008 by April 15, 2006 (identified as a major milestone in the Executive Summary).
- LM will secure and train required human resources and have required material resources in place as early as April 19, 2006.
- EM-CBC-Cadre, in consultation with LM, will have completed an Environmental Liability Estimate in accordance with department policies and procedures by September 30, 2007.

2.6.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Long-Term Surveillance and Maintenance Budget, Funding and Personnel		
Risk Condition	Consequence	Risk-Handling Strategy
Potential post-closure financial responsibilities resulting from the Natural Resource Damage (NRD) Settlement are unknown.	HIGH: The results of the NRD Settlement need to be defined by the February 2005 time frame to support the budget formulation process for FY 2007 or there may be inadequate funds to implement the settlement.	MITIGATION PLAN: 1. EM (DOE-OH), in consultation with LM, will negotiate draft terms of the agreement prior to the budget formulation process for FY 2007. (COMPLETE) 2. EM (DOE-OH), in consultation with LM, will include a planning assumption for the settlement costs in the FY 2007 budget formulation process.
The EM-1/LM-1 Terms and Conditions requiring a validated baseline two years prior to closure were not issued until February 15, 2005.	HIGH: EM (DOE-OH) has not begun development of a validated baseline. Additionally, current project activities will significantly be changing the assumptions that will support the baseline	MITIGATION PLAN: 1. EM (DOE-OH and FFI) will identify assumptions and costs from February – April 15, 2005 to support the FY 2007 budget formulation process. 2. EM (DOE-OH and CBC) will develop the baseline once key assumptions can be defined upon completion of the conversion to the CAWWT and identification of the silos waste disposition path.

Long-Term Surveillance and Maintenance Budget, Funding and Personnel		
Risk Condition	Consequence	Risk-Handling Strategy
The number of EM personnel necessary to resolve regulatory comments on the RARs for OU1-OU4 and interim RAR for OU5 is uncertain.	MEDIUM: Regulatory Completion is not anticipated for 6-12 months following Physical Completion; therefore, FFI will have completed its contractual requirements and EM (DOE-OH) will have responsibility for regulatory negotiations and revisions.	MITIGATION PLAN: 1. EM (DOE-OH) will prepare a Memorandum of Agreement (MOA) or similar document for the transfer of identified functions and responsibilities to the EM-CBC. (COMPLETE) 3. FFI will ensure that the format and quality of the documents meet previously approved RARs to minimize comments and revisions.

2.7 Information and Records Management

Sites are required to identify and transfer all site information and records and to perform information management planning as required. EM is required to identify and disposition all records. EM will determine which contract records will be needed for contract closeout. LM will work with EM to determine which records are required for LM.

2.7.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is dispositioning records in accordance with all federal regulations; National Archives and Records Administration (NARA); and DOE orders (Draft DOE Order 243.X, *Records Management Program* and DOE Order 200.1, *Information Management Program*), 36 CFR, and 44 U.S.C., FCP's *Records Management Transition Plan*, and LM's *Information and Records Management Transition Guidance*.
- EM (DOE-OH and FFI) has no classified records associated with the Fernald project.
- LM, in consultation with EM (DOE-OH and FFI), is evaluating existing computer applications and electronic databases to determine future requirements.
- EM (DOE-OH and FFI) has Energy Employees Occupational Illness Compensation Program Act (EEOICPA) record responsibilities.

2.7.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH and FFI), in consultation with LM, will have met all regulatory requirements regarding records, including the archival and disposition of records per the NARA record schedules to an approved record storage facility.
- EM (DOE-OH/CBC and FFI) will have continued to update the Administrative Record on a quarterly basis through Regulatory Completion.
- EM (DOE-OH) will have transferred records needed for (1) ongoing litigation and EEOICPA claims and (2) business/financial closeout to the EM-CBC.
- Custody of EM (DOE-OH) records will be transferred to LM with the exception of those records required for contract closeout, on-going litigation, Freedom of Information Act /Privacy Act requests, and ongoing Energy employees Occupational Illness Compensation Program Act (EEOICPA) claims.

- EM (DOE-OH/CBC), in consultation with LM, will have completed the electronic conversion and transferred environmental and record databases. LM will have the required computer applications and databases that are necessary to support all LM activities and accommodate access and finding of Fernald records.
- EM (DOE-OH/CBC), in consultation with LM, will have digitized the CERCLA AR.
- LM will have assumed EEOICPA record responsibilities for new claims.
- LM will have become custodian for records, including disposition, access, and retention.
- EM (DOE-OH) will have dispositioned contaminated records.

2.7.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH), in consultation with LM, will develop an Information and Records Management Transition Plan (IRMTTP) in accordance with the Legacy Management Information and Records Management Transition Guidance by September 30, 2005.
- EM (DOE-OH/CBC) and LM will determine which organization will be responsible for various aspects of EEOICPA by September 30, 2005.
- LM, in consultation with EM (DOE-OH and FFI), will identify database licenses and a schedule for transfer by October 1, 2005.
- LM, in consultation with EM (DOE-OH and FFI), will identify the location, use, and occupancy of the Public Environmental Information Center and implement by March 31, 2006.
- EM (FFI) will continue to update the AR on a quarterly basis through the Declaration of Physical Completion (assumed March 31, 2006). EM (DOE-OH/CBC) will update the AR from March 31, 2006 until September 30, 2007 and transfer to LM. LM will update the AR as of October 1, 2007.
- EM (DOE-OH) completes the conversion of environmental and record data by March 31, 2006.
- EM (DOE-OH) will complete the transfer of electronic and paper records to LM by April 19, 2006 (identified as a major milestone in the Executive Summary). This will include compiling, preparing and turning over the final inventory of FCP records (including any special record collections); finding aids; all Standard Form (SF)-135s, SF-258s, and SF-115s; and documentation for future records retrieval.
- EM (DOE-OH/CBC) completes the digitization of the AR by September 30, 2007.

2.7.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Information and Records Management		
Risk Condition	Consequence	Risk-Handling Strategy
The ability to identify the location, use, and occupancy of the Public Environmental Information Center is contingent upon final NRD Settlement.	HIGH: If EM (DOE-OH) is unable to complete the NRD Settlement by July 1, 2005, FFI will have inadequate time to implement the terms by the Physical Completion date of March 31, 2006.	MITIGATION PLAN: <ol style="list-style-type: none"> EM (DOE-OH) will negotiate terms of the draft Settlement by February 1, 2005. (COMPLETE) EM (DOE-OH) will finalize the Settlement by July 1, 2005 EM (DOE-OH and FFI), in consultation with LM, will provide a decision whether the trailer/warehouse will remain, whether it's on site/off site, and who will be occupying by August 1, 2005.
Electronic conversion of environmental and record data is not included in the scope of the closure contract but is identified in the February 15, 2005, EM-1/ LM-1 Terms and Conditions.	HIGH: Cost and schedule implications to perform these tasks have not been fully evaluated.	MITIGATION PLAN: <ol style="list-style-type: none"> LM, in consultation with EM (DOE-OH and FFI), are evaluating existing computer applications and databases to determine future requirements by May 31, 2005. EM (DOE-OH and FFI) will identify cost and schedule impacts of requested conversions. EM (DOE-OH and FFI) and LM will negotiate the most effective path forward for conversion by March 31, 2006 upon consideration of cost and schedule impacts
Digitization of the AR is not included in the scope of the closure contract but is identified in the February 15, 2005, EM-1/ LM-1 Terms and Conditions.	HIGH: Cost and schedule implications to perform these tasks have not been fully evaluated.	MITIGATION PLAN: <ol style="list-style-type: none"> EM (DOE-OH and FFI) will identify cost and schedule impacts of digitizing the AR. EM (DOE-OH) will include a planning assumption in the FY 2007 budget formulation. EM-CBC will assume responsibility for digitization of the AR if not completed by Physical Completion. EM (DOE-OH and FFI) and LM will work to accelerate digitization prior to FFI's declaration of physical completion.

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Information and Records Management		
Risk Condition	Consequence	Risk-Handling Strategy
The ability of FFI to disposition records generated in projects completing on or near the March 31, 2006, Physical Completion date is uncertain.	HIGH: Because some records will be generated up until the point of Physical Completion, it is not reasonable to assume all will be dispositioned by the date of declaration. Failure to negotiate reasonable acceptance criteria could delay DOE's acceptance of Physical Completion.	MITIGATION PLAN: 1. EM (DOE-OH) and FFI will negotiate acceptable disposition of records that may be dispositioned in a reasonable timeframe post Physical Completion by March 31 via the CE/TP.
Finding aids may be insufficient to support the identification and retrieval of records in the future that may be required to support post-closure activities.	HIGH: Fernald records are managed using different programs and level of detail depending upon the area of record keeping. Some of the finding aids may not be at a level adequate to support easy identification and retrieval of records for new post-closure records managers.	MITIGATION PLAN: 1. LM and EM (DOE-OH) will initiate a cooperative effort to identify and document finding aids by March 31. 2. LM and EM (DOE-OH) will evaluate options for easy identification and retrieval while preventing requirements outside of current closure contract by September 30, 2005.
Current agreements indicate EM responsibility for ongoing Energy Employee Occupational Illness Compensation Program Act (EEOICPA) claims; however, the EM-CBC is currently evaluating alternatives.	LOW: A change in the agreement of EM responsibility for ongoing EEOICPA claims will require additional record transfers to LM.	ACCEPT AND WATCH: Until such time that EM responsibility for ongoing EEOICPA claims is changed, no action is necessary.

2.8 Public Education, Outreach, Information, and Notice

Sites are required to develop and maintain a list of site stakeholders with associated address information, to provide updates of the ARs and on-site information repository available to interested parties, to develop the proper community involvement tools, and to estimate adequate public involvement activities.

2.8.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is continuing public education and outreach with an active role from LM representatives.
- LM, in consultation with EM (DOE-OH and FFI), is determining future requirements for Internet websites, public information approaches, and content.
- LM, in consultation with EM (DOE-OH and FFI), is drafting a Community Involvement Plan.
- LM, in consultation with EM (DOE-OH and FFI), is preparing to initiate discussions with stakeholders on the development of the Local Stakeholder Organization per legislative requirements.

- EM (DOE-OH/CBC), in consultation with LM, will have completed the electronic conversion and transferred environmental and record databases. LM will have the required computer applications and databases that are necessary to support all LM activities and accommodate access and finding of Fernald records.
- EM (DOE-OH/CBC), in consultation with LM, will have digitized the CERCLA AR.
- LM will have assumed EEOICPA record responsibilities for new claims.
- LM will have become custodian for records, including disposition, access, and retention.
- EM (DOE-OH) will have dispositioned contaminated records.

2.7.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH), in consultation with LM, will develop an Information and Records Management Transition Plan (IRMTP) in accordance with the Legacy Management Information and Records Management Transition Guidance by September 30, 2005.
- EM (DOE-OH/CBC) and LM will determine which organization will be responsible for various aspects of EEOICPA by September 30, 2005.
- LM, in consultation with EM (DOE-OH and FFI), will identify database licenses and a schedule for transfer by October 1, 2005.
- LM, in consultation with EM (DOE-OH and FFI), will identify the location, use, and occupancy of the Public Environmental Information Center and implement by March 31, 2006.
- EM (FFI) will continue to update the AR on a quarterly basis through the Declaration of Physical Completion (assumed March 31, 2006). EM (DOE-OH/CBC) will update the AR from March 31, 2006 until September 30, 2007 and transfer to LM. LM will update the AR as of October 1, 2007.
- EM (DOE-OH) completes the conversion of environmental and record data by March 31, 2006.
- EM (DOE-OH) will complete the transfer of electronic and paper records to LM by April 19, 2006 (identified as a major milestone in the Executive Summary). This will include compiling, preparing and turning over the final inventory of FCP records (including any special record collections); finding aids; all Standard Form (SF)-135s, SF-258s, and SF-115s; and documentation for future records retrieval.
- EM (DOE-OH/CBC) completes the digitization of the AR by September 30, 2007.

2.7.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Information and Records Management		
Risk Condition	Consequence	Risk-Handling Strategy
The ability to identify the location, use, and occupancy of the Public Environmental Information Center is contingent upon final NRD Settlement.	HIGH: If EM (DOE-OH) is unable to complete the NRD Settlement by July 1, 2005, FFI will have inadequate time to implement the terms by the Physical Completion date of March 31, 2006.	MITIGATION PLAN: 1. EM (DOE-OH) will negotiate terms of the draft Settlement by February 1, 2005. (COMPLETE) 2. EM (DOE-OH) will finalize the Settlement by July 1, 2005 3. EM (DOE-OH and FFI), in consultation with LM, will provide a decision whether the trailer/warehouse will remain, whether it's on site/off site, and who will be occupying by August 1, 2005.
Electronic conversion of environmental and record data is not included in the scope of the closure contract but is identified in the February 15, 2005, EM-1/LM-1 Terms and Conditions.	HIGH: Cost and schedule implications to perform these tasks have not been fully evaluated.	MITIGATION PLAN: 1. LM, in consultation with EM (DOE-OH and FFI), are evaluating existing computer applications and databases to determine future requirements by May 31, 2005. 2. EM (DOE-OH and FFI) will identify cost and schedule impacts of requested conversions. 3. EM (DOE-OH and FFI) and LM will negotiate the most effective path forward for conversion by March 31, 2006 upon consideration of cost and schedule impacts.
Digitization of the AR is not included in the scope of the closure contract but is identified in the February 15, 2005, EM-1/LM-1 Terms and Conditions.	HIGH: Cost and schedule implications to perform these tasks have not been fully evaluated.	MITIGATION PLAN: 1. EM (DOE-OH and FFI) will identify cost and schedule impacts of digitizing the AR. 2. EM (DOE-OH) will include a planning assumption in the FY 2007 budget formulation. 3. EM-CBC will assume responsibility for digitization of the AR if not completed by Physical Completion. 4. EM (DOE-OH and FFI) and LM will work to accelerate digitization prior to FFI's declaration of physical completion.

Information and Records Management		
Risk Condition	Consequence	Risk-Handling Strategy
The ability of FFI to disposition records generated in projects completing on or near the March 31, 2006, Physical Completion date is uncertain.	HIGH: Because some records will be generated up until the point of Physical Completion, it is not reasonable to assume all will be dispositioned by the date of declaration. Failure to negotiate reasonable acceptance criteria could delay DOE's acceptance of Physical Completion.	MITIGATION PLAN: 1. EM (DOE-OH) and FFI will negotiate acceptable inventories of records that may be dispositioned in a reasonable timeframe post Physical Completion by March 31, 2005, via the CE/TP.
Finding aids may be insufficient to support the identification and retrieval of records in the future that may be required to support post-closure activities.	HIGH: Fernald records are managed using different programs and level of detail depending upon the area of record keeping. Some of the finding aids may not be at a level adequate to support easy identification and retrieval of records for new post-closure records managers.	MITIGATION PLAN: 1. LM and EM (DOE-OH and FFI) will initiate a cooperative effort to identify and document existing finding aids by March 15, 2005. 2. LM and EM (DOE-OH and FFI) will evaluate options for ensuring easy identification and retrieval ability while preventing additional requirements outside of the current closure contract scope by September 30, 2005.
Current agreements indicate EM responsibility for ongoing Energy Employee Occupational Illness Compensation Program Act (EEOICPA) claims; however, the EM-CBC is currently evaluating alternatives.	LOW: A change in the agreement of EM responsibility for ongoing EEOICPA claims will require additional record transfers to LM.	ACCEPT AND WATCH: Until such time that EM responsibility for ongoing EEOICPA claims is changed, no action is necessary.

2.8 Public Education, Outreach, Information, and Notice

Sites are required to develop and maintain a list of site stakeholders with associated address information, to provide updates of the ARs and on-site information repository available to interested parties, to develop the proper community involvement tools, and to estimate and fund adequate public involvement activities.

2.8.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is continuing public education and outreach with an active role from LM representatives.
- LM, in consultation with EM (DOE-OH and FFI), is determining future requirements for Internet websites, public information approaches, and content.
- LM, in consultation with EM (DOE-OH and FFI), is drafting a Community Involvement Plan.
- LM, in consultation with EM (DOE-OH and FFI), is preparing to initiate discussions with stakeholders on the development of the Local Stakeholder Organization (LSO) per legislative requirements.

2.8.2 Expected Conditions at Transition/Transfer

- LM, in consultation with EM (DOE-OH and FFI), will have completed the final Community Involvement Plan and provided to EM for inclusion as an attachment to Volume 1 of the LMICP.
- LM, in consultation with EM (DOE-OH and FFI), will have established the LSO for Fernald.

2.8.3 Major Actions, Lead Organization, and Schedule

- LM, in consultation with EM (DOE-OH and FFI), will begin public involvement activities for legacy management activities prior to September 1, 2004. (COMPLETE)
- EM (DOE-OH and FFI), in consultation with LM, will develop an estimate of expected post-closure costs associated with public involvement by March 31, 2005 (refer also to Section 2.6).
- LM, in consultation with EM (DOE-OH and FFI), will develop a Community Involvement Plan for inclusion in LMICP by June 30, 2005.
- LM, in consultation with EM (DOE-OH and FFI), will establish the LSO for Fernald by September 30, 2005.

2.8.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Public Education, Outreach, Information, and Notice		
Risk Condition	Consequence	Risk-Handling Strategy
The time necessary to establish the LSO as required by the National Defense Authorization Act for FY 2005 is uncertain.	LOW: New legislation requires establishment of the LSO 6 months prior to closure (i.e., September 30, 2005)	MITIGATION PLAN: 1. LM, in consultation with EM (DOE-OH and FFI), will begin discussions with stakeholders regarding establishment of the LSO in February 2005. (COMPLETE)

2.9 Natural, Cultural, and Historical Resource Management

Sites are required to implement appropriate systems or processes to protect sensitive cultural and natural resources, including threatened and endangered species and archeological and cultural resources. Sites are also required to protect sensitive information about the location and content of historic and prehistoric archaeological sites. The sites are required to identify locations and characteristics of natural and cultural resources needing LTS&M and to implement a corresponding management system as part of the LTS&M activities.

2.9.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) has identified and documented one threatened and endangered species to be considered during post-closure activities, archeological/cultural resources, and site wetlands requiring post-closure management.
- EM (DOE-OH and FFI) is disclosing the location of artifacts and Native American burial sites on a need-to-know basis because of the sensitive nature of the records.

- EM (DOE-OH and FFI) has offered interment to federally recognized tribes, but the offer has not yet been pursued.

2.9.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH and FFI) will have identified archaeological, cultural, and/or historical features on the site and developed plans for managing these resources with consideration of Native American burial site confidentiality issues.
- EM (DOE-OH and FFI) will have transferred existing archeological and cultural artifacts and site surveys to an acceptable, long-term archive location (e.g., Cincinnati Museum of Natural History).
- LM will have continued monitoring of the Fernald site cultural resources; preservation of sensitive and historical information, records, and photographs; and close interactions with federally recognized tribes upon operational acceptance of the site.
- LM will have continued monitoring of Fernald's natural resources consistent with applicable agreements with regulators and natural resource trustees upon operational acceptance of the site.
- LM will continue to offer interment to federally recognized tribes.

2.9.3 Major Actions, Lead Organization, and Schedule

- EM (DOE-OH and FFI) will prepare a controlled document that contains information regarding the presence of sensitive locations and identifies how the artifacts and other materials were properly dispositioned by March 31, 2006.

2.9.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Natural, Cultural, and Historical Resource Management		
Risk Condition	Consequence	Risk-Handling Strategy
The timing at which federally recognized tribes may accept EM (DOE-OH)'s offer for interment on the Fernald site is uncertain.	LOW: EM resources may be inadequate to coordinate interment for federally recognized tribes concurrent with site closure activities should the interment offer be accepted between now and March 31, 2006.	ACCEPT AND WATCH: Until federally recognized tribes indicate the desire to pursue the offer of interment on the site, no resource support for coordination is necessary.

2.10 Business Closure Functions, Pension and Benefits, Contract Closeout or Transfer

Sites are required to identify current contractor pensions and benefits needs, identify the status of pending litigation and liabilities, identify restoration contract closeout actions, identify contracts/financial agreements required for LTS&M activities, and ensure requirements of DOE orders are satisfied.

2.10.1 Status and Approach at Signing of This Transition Plan

- EM (DOE-OH and FFI) is in negotiation regarding the accelerated delivery of a Contract Closeout Plan for Contract DE-AC24-01OH20115.

- EM-HQ initiated a study to satisfy Section 3122 of the National Defense Authorization Act for Fiscal Year of 2005, Maintenance of Retirement Benefits for Certain Workers for Fiscal Year at 2006 Closure Site.
- EM-CBC is in the process of standing up the organization and working with other EM organizations to identify its support responsibilities for pending litigation and liabilities and for contract termination actions.

2.10.2 Expected Conditions at Transition/Transfer

- EM (DOE-OH and FFI) will have transferred documents related to pension and medical plans to LM.
- EM-CBC will be fully operational and support responsibilities for Contractual/Financial Closeout support to closure sites will have been defined and transferred.
- EM-CBC will have retained responsibility for open worker compensation claims under the State Workers Compensation System, outstanding liability claims, and unresolved hourly grievances.
- LM will have assumed worker health-related claims for EEO/CPA upon operational acceptance of the site
- LM will have developed and implemented a Post-Closure Retiree Benefits delivery system.
- EM-HQ will have obtained Energy Systems Acquisition Advisory Board (ESAAB) approval of the CD-4 package, thereby representing project completion for the site and ability to transfer financial responsibility to LM.

2.10.3 Major Actions, Lead Organization, and Schedule

- EM-HQ, in consultation with EM (DOE-OH and FFI), will prepare a report on maintenance of contractor retiree benefits at the 2006 accelerated closure sites by January 28, 2005. **(COMPLETE)**
- LM, in consultation with EM (DOE-OH), will identify post-closure worker pension and benefits and ensure the means to continue service by May 1, 2005.
- EM-CBC will define its Contractual/Financial Closeout responsibilities to closure sites by *[To be determined following operational standup of the EM-CBC projected for June 2005]*.
- LM, in consultation with EM (DOE-OH), will develop a Post-Closure Retiree Benefits delivery system by March 31, 2006.
- EM-CBC-Cadre, in consultation with LM, will submit the Final CD-4 package for ESAAB approval by June 1, 2007 (identified as a major milestone in the Executive Summary).
- EM-HQ, in consultation with EM-CBC and LM, will prepare the formal memo proposing the transfer of programmatic responsibility and budget for LM concurrence by September 30, 2007.
- EM-CBC-Cadre, in consultation with LM, will submit a comprehensive Transition Lessons Learned document to EM and LM by September 30, 2007.

- EM (DOE-OH and FFI) will transfer responsibility for pensions and benefits to LM by October 1, 2007 (identified as a major milestone in the Executive Summary).

2.10.4 Key Uncertainties, Risk, and Risk Mitigation Strategies

Business Closure Functions, Pension and Benefits, Contract Closeout or Transfer		
Risk Condition	Consequence	Risk-Handling Strategy
The format, level of rigor required for documentation, and review time necessary to achieve ESAAB CD-4 package approval is uncertain.	HIGH: Transfer of responsibility to LM cannot occur until ESAAB CD-4 package approval has been received. Packages for the transfer of complex closure sites have not been completed to date.	MITIGATION PLAN: <ol style="list-style-type: none"> 1. EM (DOE-OH), in consultation with LM, will jointly develop draft CD-4 outlines for review and comment by EM-1 and LM-1 representatives in advance of submission to clarify expectations. 2. EM (DOE-OH), in consultation with LM, will conduct interim readiness reviews for inclusion in the CD-4 packages. 3. EM (DOE-OH), in consultation with LM, will complete the Preliminary CD-4 package by March 31, 2006, and the Final CD-4 package by June 1, 2007, to accommodate operational and financial responsibility transfer to LM.
The availability of a national contract for pensions and benefits management at physical completion is uncertain.	MEDIUM: The FFI contract allows for DOE direction regarding continued management of the pensions and benefits; however, costs for continued management are not currently identified in the FY 2007 budget.	MITIGATION PLAN: <ol style="list-style-type: none"> 1. FFI to identify options, the date at which decisions are needed to ensure continued management, and resource needs for each option in February 2005 to support FY 2007 budget formulation. 2. EM (DOE-OH) will review the alternatives and make a decision on the path forward by April 1, 2005.
Specific requirements of the Contractual/Financial Closeout process of the FFI contract have not been established by EM (DOE-OH).	MEDIUM: The current closure contract does not require FFI to deliver a Contract Closeout Plan until the time of Declaration of Physical Completion (currently planned for March 31, 2006). However, early identification of the activities is necessary to allow for definition of functions to be assumed by the EM-CBC.	MITIGATION PLAN: <ol style="list-style-type: none"> 1. EM (DOE-OH) and FFI mutually agree to accelerate delivery of the Contract Closeout Plan to approximately 6 months before closure.

3.0 Lessons Learned

The intent of the lessons-learned process is to provide effective information to assist existing and future projects undergoing the transition and project closeout process. The FCP Transition Team will identify and document pertinent information throughout the phases of transition and project closeout. Lessons learned that have been identified prior to financial transfer on October 1, 2007, will be included in the quarterly status reports to EM-1/LM-1. In addition, the EM-CBC-Cadre, in consultation with LM, will submit a comprehensive Transitions Lessons-Learned document to EM and LM by September 30, 2007.

4.0 Estimated Costs for Transition

The estimated costs for the transition of FCP during FY 2005 and FY 2006 are shown in Table 3 relative to the nine WBS elements and responsible organization. The Fernald site is scheduled to transition to LM on April 19, 2006. Costs to implement this plan may not be fully identified at this time (e.g., LM costs related to worker pension and benefits transition). It should also be noted that the Fernald site does not capture costs in the same WBS structure as the nine WBS elements listed below. In addition, the WBS elements below contain some duplication. Therefore, costs provided are estimates only.

Table 3. Estimated Costs for Transition

Site Transition Plan WBS Element	FY 2005 (\$000)			FY 2006 (\$000)		
	LM	EM	Total	LM	EM	Total
1. Program Management	131	21,436	21,567	125	8,783	8,908
2. Environmental	181	5,172	5,353	400	2,253	2,653
3. Records Management	89	1,492	1,581	235	738	973
4. Information Management	473	4,193	4,666	250	1,725	1,975
5. Property Management	22	1,709	1,731	20	484	504
6. Stakeholder and Regulator Relations	27	819	846	30	935	965
7. Worker Pension and Benefits	NA	32,462	32,462	NA	19,140	19,140
8. Procurement	20	1,489	1,509	25	474	499
9. Project Closeout	10	N/A*	10	10	N/A*	10
Total	953	68,772	69,725	1,095	34,532	35,627

NA - Not available

N/A* - Included in Element 1. - Program Management

The LM costs shown in Table 3 were prepared on the basis of information from the LM contractor, S.M. Stoller Corporation. The FY 2005 costs are the estimates at completion for contractual tasks and have been cross-walked to the nine WBS elements. The WBS 1.5, "Complete Project Closeout/Transition," is presented according to the 10 functional areas cited in the STF (September 2004) and the *Site Transition Plan Guidance* (December 2004). The key assumptions used by LM and EM regarding funding for transition are described in Section 2.6 of this plan and in the *Terms and Conditions for Managing/Funding Site Transition Activities* (February 2005).

The EM costs shown in Table 3 were prepared on the basis of information from the EM prime contractor, Fluor Fernald Inc. The EM costs do not reflect Remediation cost or fee, only administrative and programmatic costs.

Table 4 provides the estimated projected operating costs for the following three activities: LTS&M, contract closeout, and pensions and benefits. Note that these operating costs are preliminary estimated. These costs have been developed for FY 2006 through FY 2007 and do not include any of the estimated costs presented in Table 3.

Table 4 Projected Operating Costs for LTS&M, Contract Closeout and Pensions and Benefits

Activity	FY 2006 (\$000)	FY 2007 (\$000)
LTS&M	6,648	11,055
Contract Closeout	7,945	7,496
Pensions and Benefits	10,207	18,832
Total	24,800	37,383

Table 5 represents the total of those costs identified in Table 3 and Table 4. The total cost is a good representation of anticipated transition and operating costs between FY 2005 and FY 2007.

Table 5. Total Estimated Costs for FY 2005 through FY 2007

	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)
Total	69,725	60,427	37,383

Appendix I

Crosswalk of Mound Transition Functions

Site Transition Plan WBS (October 2004)	Ohio Field Office Federal Business Baseline Functions (September 2003)	Mound Closure Project Post Closure Responsibility Scoping Checklist (June 2004)
1. Program Management	1. Funding 10. Litigation 11. Compliance	3. Program Management 11. Security
2. Environmental	5. Landlord Responsibilities 7. Remedy Maintenance	2. Regulatory Drivers 4. Remedy Management 6. Engineering, Environment & Technical Information
3. Records Management	2. Records Management 10. Litigation	5. Records and Information Administration
4. Information Management	3. Information Management	5. Records and Information Administration
5. Property Management	9. Property	7. Property
6. Stakeholder and Regulator Relations	4. Stakeholder and Regulator Interface	8. Community Relations
7. Worker Pension and Benefits	6. Retiree Pension and Medical	10. Personnel
8. Procurement	6. Procurement	9. Procurement & Finance
9. Project Close-Out	1. Funding	

Site Transition Plan WBS (October 2004)
1. Program Management
2. Environmental
3. Records Management
4. Information Management
5. Property Management
6. Stakeholder and Regulator Relations
7. Worker Pension and Benefits
8. Project Close-Out Activities
9. Procurement

Tab 9:

**STP Addendum prepared by EMCBC and Legacy Management
(LM), approved on 4/27/07**

April 2007

Addendum #1

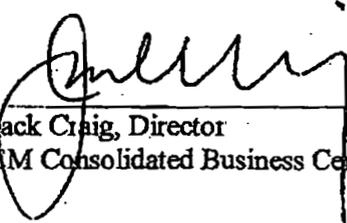
to the

Site Transition Plan

for the

Fernald Closure Project

Approved by:



Jack Craig, Director
EM Consolidated Business Center

Date:

4/27/07

1.0

SUMMARY

Background on Site Transition Plan development and implementation

The Fernald Closure Project (FCP) Site Transition Plan (STP) dated February 2005, and approved by EM-1 and LM-1 on March 29, 2005, details actions required by the DOE Office of Environmental Management (EM) and the Office of Legacy Management (LM) to verify that all appropriate steps have been, or will be, taken in order to effect programmatic transfer of the site from EM to LM. Formal transfer and realignment of work scope from EM to LM is documented via memorandum to the Chief Financial Officer, dated December 2, 2005. The memo requests the Department effect a funding target transfer for FY07-11 from EM to LM in a Program Budget Decision (PBD) document as part of the FY07 budget process for the FCP site. The memo further states that beginning in FY07 and upon EM's acceptance of the contractor's declaration of physical completion, LM will assume operational responsibility for the FCP. The FY07 Continuing Resolution (CR) has essentially postponed the transfer date from EM to LM to FY08 (i.e., October 1, 2007). However, the CR has had no real impact on completion of site transition activities at the FCP and the subsequent "operational" transfer of the site to LM in early FY07. This operational transfer included LM assumption of responsibility for the aquifer restoration project, upon the EM contractor's declaration of physical completion (DPC) on October 29, 2006, via operation of the Condensed Advanced Waste Water Treatment (CAWWT) facility. LM subsequently assumed operational responsibility for the balance of the FCP site on November 17, 2006, when EM notified the contractor of DOE's "determination of reasonableness" of DPC.

The STP includes milestones and mitigation strategies for programmatic risks that serve as tools to measure progress in completing work assigned to EM and LM organizations. The EM and LM Project Managers recognized that the schedule of action items in the STP need not be, and was not, complete in identifying all items significant towards measuring project completion or transfer, and that the STP is a living document that should be responsive to any issues that may develop. As such, the quarterly progress reports submitted to EM-1 and LM-1 against all STP milestones and programmatic risks, which commenced at the time of STP signature, have served as the configuration management tool for STP milestones due dates, some of which have adjusted since the March 2005 timeframe. Section 3.0 of this STP Addendum summarizes the milestones that have changed since STP signature. Section 2.0 of this STP Addendum and its associated Appendices 1 and 2, provide further details on the status of individual STP milestones and any revisions to milestone due dates. None of the revised STP milestones impacted EM's ability to effect operational transfer of the site to LM in early FY07. Nor are any of the revised STP milestones expected to impact EM's ability to achieve Regulatory Completion (which certifies that environmental actions have met all

requirements and no additional active management is needed with the exception of long-term response actions), is not anticipated until mid FY 2007, LM will not become responsible at the end of CY07 or LM's ability to assume Budget Authority for the FCP site on October 1, 2007 (barring a FY08 Continuing Resolution scenario)

As stated previously, on October 29, 2006, the EM contractor declared Physical Completion (DPC), and on November 17, 2006, EM provided its contractor with a written determination of reasonableness (DOR) of the DPC. The final "Terms and Conditions for Site transition," dated February 15, 2005, between EM-1 and LM-1 state that the budget responsibilities for the site remain with EM until the beginning of the fiscal year following the clean-up completion. These terms and conditions were finalized well after EM's negotiation and award of the closure contract at FCP. As such, the definition of terms for "physical completion" by 2006 in the closure contract and "cleanup completion" in the EM-1/LM-1 Terms & Conditions was not equivalent. Consequently, FCP used a site-specific strategy to resolve the discrepancy for the term physical completion. Appendix 1 of this STP Addendum includes information on the status of the STP milestone and programmatic risk associated with "Regulatory Completion" (which EM plans to complete by the end of CY07). Regulator-approval of the final Remedial Action Reports (RAR) and Preliminary Close Out Reports (PCOR) for each of the five Operable Units (OU) is critical to achievement of Regulatory Completion. The RARs for OUs 1-4 have been approved by the regulators. An interim RAR is required for OUS due to primarily the on-going groundwater remedy. This interim RAR has been prepared but has yet to be submitted to the EPAs as there is still one outstanding soil certification report that has yet to be approved. EM estimates that the final RAR for OUS will not be submitted to the regulators until 2025. LM will be responsible for preparing the Final Close Out Report. A PCOR has been prepared and issued by USEPA documenting that all major construction activities have been completed at the site.

Contractual/Financial closeout of all remaining administrative matters will be completed by the EM Consolidated Business Center (CBC), following the DOE's acceptance of the EM contractor's declaration of Physical Completion. On January 18, 2007, the Assistant Secretary for Environmental Management (EM-1) granted approval for the EM Contracting Officer to accept physical completion of work required from Fluor Fernald, Inc. under the terms of the Fernald closure contract # DE-AC24-01OH20115.

Quarterly Readiness Reviews and associated reporting to EM-1/LM-1

The EM and LM Project Managers identified the following six (6) items in the STP that should be considered in evaluating the transfer of the FCP Closure Project:

- EM submits Final Critical Decision-4 (CD-4) Package for Environmental Management Acquisition Advisory Board (EMAAB) approval;
- LM is prepared to accept the remaining portions of the existing regulatory agreements for the Comprehensive Legacy Management and Institutional Control Plan (LMICP) and OU-5 (NOTE: EM is responsible for resolution of the one

outstanding soil certification report that currently precludes regulator-approval of the Interim RAR for OU5);

- EM satisfies the Amended Consent Agreement (ACA) for Operable Units 1, 2, 3 and 4 (NOTE: The ACA relative to OU4 cannot be satisfied until final disposal of Silos 1 & 2 material has occurred);
- Responsibility for Employee Pensions and Benefits transfers to LM;
- LM accepts the active real property records transfer; and
- LM will finalize the Remedial Action Report for Operable Unit 5 upon completion of the aquifer long-term response action (estimated in the year 2025).

All of the above items are included in the milestones and programmatic risks identified in the STP. Consequently, the quarterly status reports that have been provided to EM-1 and LM-1 since STP signature in March 2005 have provided the Department with a tracking tool to monitor the completion of each milestone and/or the need to implement or modify mitigation strategies for one or more of the programmatic risks identified in the STP. Section 2.0 of this STP Addendum contains more detailed information on the status of the above-listed six items, and the quarterly readiness review/reporting process.

Purpose of this Site Transition Plan Addendum

This STP Addendum serves as a "punch list" of any remaining EM or LM actions that must be completed to ensure a complete transfer of the site to LM on October 1, 2007, when LM will assume Budget Authority for the site. As stated previously, **all critical action items necessary to achieve operational transfer of the site to LM in early FY07 have been completed.** All remaining open action items are identified in this STP Addendum, and are currently being completed by EM and/or LM, as appropriate. Both parties fully anticipate completion of most remaining action items on or before October 1, 2007. There are a few longer term actions that do not impact transition, due after October 1, 2007, with some going out to CY2025. Completion of these remaining open action items does not impact EM's ability to submit and obtain approval of the CD-4 Package, LM's ability to assume Budget Authority for the FCP site on October 1, 2007, and/or EM's ability to achieve Regulatory Completion in late CY07.

There are several minor field activities expected to be addressed by EM in consultation with LM

- Erosion at former Waste Pit 3 around the drainage structures.
- Any field work deemed necessary in securing approval of the remaining soil certification report in the swale between Paddys Run and former Waste Pit 3. The remaining report is titled *Soil Certification Report for Area 6 - Waste Pits 1, 2, 3, Clearwell, and Burn Pit, July 2006*
- Any repair required by the Regulators relative to the On Site Disposal Facility (OSDF) Cell 8 due to unsatisfactory performance caused by the undulating topsoil cover system

The collection, characterization, and disposal of pieces of debris found to be contaminated above free-release thresholds in excess of routine quantities envisioned by the LMICP.

2.0 SUPPLEMENTAL ACTION ITEMS

This section of the STP Addendum describes supplemental action items, to be completed by EM (or LM, if appropriate) after STP submittal to, and approval by, EM-1 and LM-1.

Quarterly Site Transition Reports to EM-1/LM-1

Appendix 1 to this STP Addendum is the FCP's Site Transition Quarterly Report through period ending September 30, 2006. This was the final quarterly report for the FCP. The quarterly report provides status against STP milestones that are under EM-1/LM-1 configuration control, as well as progress against mitigation strategies for programmatic risks identified in the STP.

Responsibility Turnover Forms

Appendix 2 to this STP Addendum includes a list of the Responsibility Transition Packages (RTP) as well as a compilation of the remaining action items identified on the RTP Responsibility Turnover Forms. The RTPs were developed by the FCP Site Transition Team for 17 different functional areas that EM needed to transition to LM. Each Responsibility Turnover Form was signed in October 2006 by the EM Federal Project Director, the LM Site Manager, the Fluor Fernald, Inc. Contract Closeout Manager, and the S.M. Stoller Corp. Site Manager, following a series of final transition meetings at the FCP site the week of September 25, 2006. During these meetings, the EM, LM, Fluor-Fernald and Stoller subject matter experts (SME) for each of the 17 RTPs met with EM, LM, Fluor and Stoller senior management officials to discuss, in detail, the 17 turnover forms which describe completed and remaining open action items. The five responsible organizations (DOE-EM Ohio Field Office [OH], DOE-EMCBC, DOE-LM, Fluor Fernald, Inc. and S.M. Stoller Corp.) accountable for achieving the balance of action items reached agreement during these meetings on the timeframes established in each of the 17 turnover forms for transition of operational responsibility for the site to LM in early FY07. The meetings the week of September 25, 2006 completed the identification, and subsequent completion schedule, of all transition activities (pending the EM contractor's DPC and DOE's determination of reasonableness [DOR] of DPC).

As stated in Section 1.0 of this STP Addendum, all critical action items necessary to achieve operational transfer of the site to LM have been completed. All remaining open action items identified in Appendices 1 and 2 of this STP Addendum are currently being

completed by EM and/or LM, as appropriate. Both parties fully anticipate completion of most remaining action items on or before October 1, 2007. There are a few longer term actions that do not impact transition, due after October 1, 2007, with some going out to CY2025. Completion of these remaining open action items does not impact EM's ability to submit and obtain approval of the CD-4 Package, LM's ability to assume Budget Authority for the FCP site on October 1, 2007, and/or EM's ability to achieve Regulatory Completion in late CY07.

The EM-CBC and the LM Project Manager for the FCP site will continue to track all remaining open actions in the 17 Responsibility Turnover Forms until all actions are complete. The Responsibility Turnover Forms include the following three (3) sections:

Section I: A comprehensive list of actions required to transition the FCP site to LM. Some of these actions have been completed; others have not.

Section II: Actions from Section I that were scheduled for completion by or before the EM contractor's declaration of physical completion (DPC), or EM's determination of reasonableness (DOR) of the DPC. The majority of actions in Section II have been completed. Other actions have not been completed yet, however, these open action items do not impact EM's ability to submit and obtain approval of the CD-4 Package.

Section III: Actions from Section I that were scheduled for completion after DPC (or DOR). Some of the actions in Section III have already been completed. Other actions have not been completed yet, however, these open actions do not impact EM's ability to submit and obtain approval of the CD-4 Package.

The action items from Section II and Section III that remain open are provided in Appendix 2 to this STP Addendum. Appendix 2 begins with a tally of open action items, sorted by responsible party, for all RTPs that have open action items.

Lessons Learned

In addition to the above two appendices, which describe outstanding STP action items for the FCP site, the EM-1/LM-1 "Terms & Conditions for Site Transition" (and DOE Order 413 3A) require DOE to share "Lessons Learned" upon project completion. Accordingly, in late CY06, the FCP Site Transition Team assisted the EM Federal Project Director (FPD) and the DOE-OH Director with development of Lessons Learned for the FCP site transition project. The OH Director presented the Lessons Learned at the December 13, 2006 EM Field Managers Monthly meeting, and the FPD duplicated the Lessons Learned presentation at the Department's Waste Management 2007 (WM07) Conference on February 26, 2007.

Appendix 3 to this STP Addendum includes the Fernald Lessons Learned presentation. Note that this presentation was a consolidated DOE Ohio Field Office Closure Sites' presentation, including the Fernald site, as well as the OH Closure Projects located in Miamisburg, Columbus and Ashtabula, Ohio. If additional Lessons Learned for the FCP site are identified during FY07, those Lessons Learned will be documented by the EM-CBC, in consultation with the LM Project Manager, in a separate package that will be provided to DOE Headquarters and Field elements in FY08.

3.0 STP ACTION ITEM CHANGES

There have been some changes to milestones in the Site Transition Plan that are under EM-1/LM-1 configuration control. The quarterly reports to EM-1/LM-1 provided detailed information on the reason why certain milestones slipped, and a description of the associated changes to mitigation strategies originally defined in the STP. The final quarterly report, issued was for period ending September 30, 2006, is included in Appendix 1 to this STP Addendum.

The list below itemizes the seven (7) milestones that have changed since the STP was signed in March 2005. For each of these milestone, the original due date for each milestone in the STP; the revised milestone due date in the final quarterly report, for period ending September 30, 2006; and the current status of each milestone have been identified.

EM settles Natural Resource Damage (NRD) lawsuit

Original STP due date: July 1, 2005

Revised due date: December 31, 2007

Current status: On Schedule (the EMCBC continues to work toward finding an acceptable resolution for the long standing Natural Resources Damages (NRD) Claim. Per the EM-1/LM-1 Terms and Conditions for Site Transition, EM is responsible for the NRD settlement until two years after the programmatic transfer of the site. Any future NRD claims based on failure to maintain the remedy will be LM's responsibility.)

EM completes transfer of records, both electronic and paper, to LM

Original STP due date: April 19, 2006

Revised due date: 180 days post-Declaration of Physical Completion (DPC)

Current status: Action completed as scheduled (Details are contained in the *Site Transition Quarterly Report for the Fernald Closure Project, for period ending September 30, 2006* located in Appendix 1)

LM assumes operational responsibility and completes procedures, contracts and/or agreements, and trains resources for monitoring and maintenance of the site in accordance with the Legacy Management and Institutional Control Plan (LMICP)

Original STP due date: April 19, 2006

Revised due date: For the aquifer restoration project (OU-5), upon DPC; and for the balance of site, upon DOR

Current status: Action completed as scheduled (Details are contained in the *Site Transition Quarterly Report for the Fernald Closure Project, for period ending September 30, 2006* located in Appendix 1.)

EM submits final CD-4 Package to the EMAAB

Original STP due date: June 1, 2007

Revised due date: April 28, 2007

Current status: On Schedule

LM is prepared to accept the remaining portions of the existing regulatory agreements for the LMICP and OU-5

Original STP due date: September 30, 2007

Revised due date: December 31, 2007

Current status: On Schedule (LM was involved in the LMICP development and OUS activities during transition to ensure preparedness at the time of transfer. Note there is an exception and that is the last remaining soil certification report associated with the waste pit area. This last report is titled *Soil Certification Report for Area 6 - Waste Pits 1, 2, 3, Clearwell, and Burn Pit*, July 2006)

EM satisfies the Amended Consent Agreement for Operable Units 1, 2, 3 and 4

Original STP due date: September 30, 2007

Revised due date: December 31, 2007

Current status: On Schedule (EM, USEPA, and OEPA negotiated the schedule and logic for the final Remedial Action Reports and Preliminary Closeout Reports (PCORs) for each of the OUs that was documented in a Closeout Report strategy fact sheet. Note that the Amended Consent Agreement relative to OU4 cannot be satisfied until final disposal of Silos 1 & 2 material has occurred)

LM accepts active real property records/transfer

Original STP due date: October 1, 2007

Revised due date: Upon CD-4 approval

Current status: On Schedule (Jurisdictional transfer, in a real property sense, of the Fernald site will transfer from EM to LM upon DOE Headquarters' approval of EM's Critical Decision-4 [CD-4] Package. Upon CD-4 approval and jurisdictional transfer of the Fernald site, the LM Realty Officer will assume custodianship of all Fernald real property records)

Appendix 1: Site Transition Quarterly Report for the Fernald Closure Project, for period ending September 30, 2006

The Fernald Site Transition Plan (STP) contains many milestones that are based on an estimated DOE determination of "reasonableness" (of the EM Contractor's declaration of physical completion [DPC]) occurring on 4/19/06. However, the date of DPC was subsequently delayed until October 2006 (FY2007). Accordingly, the STP milestone in this quarterly report (for period ending 9/30/06) for EM's submittal of the Critical Decision-4 (CD-4) Package to DOE Headquarters has been adjusted. This quarterly report for period ending 9/30/06 constitutes the FINAL report issued by the Fernald Closure Project (FCP). The CD-4 Package for the FCP will contain an STP Addendum that includes a list of critical actions that are still in-progress as of the date that the DOE Office of Legacy Management (LM) assumed operational responsibility of the FCP site. Accordingly, any future progress reports against the status of such actions in the STP Addendum will be performed by the EM-CBC in accordance with requirements imposed by the standard CD-4 process.

The EM and LM Site Transition Team negotiated a Memorandum of Understanding (MOU) for transition of the Records Management function (including responsibility for processing FOIA and Privacy Act requests, EEOICPA claims, and Legal Discovery requests). The final MOU for transition of the Records Management function at FCP was signed by the EMCBC Director, the LM Team Leader for Archives & Information Management, and the LM Site Transition Manager on 8/28/06. The signed MOU has three objectives: (1) define the EM and LM responsibilities for the "early" transfer of the EEOICPA function [where "early" means prior to the EM Contractor's declaration of physical completion]; (2) document the transfer of the Records Custodianship function to LM, for all records located at the FRC on and after 10/1/06 [including the responsibility for funding all NARA costs beginning 10/1/06]; and (3) define EM's responsibilities for processing FOIA and Privacy Act requests until such time the EM Contractor declares physical completion [at which time LM assumes full responsibility for these two functions].

The final series of transition meetings were held the week of September 25, 2006. During these meetings, the 17 Responsibility Transition Packages (RTPs) and the Fernald Project Turnover Forms detailing the completed and remaining open actions were reviewed in great detail. The five responsible organizations (DOE-OH, DOE-EMCBC, DOE-LM, Fluor-Fernald, Inc., and S.M. Stoller Corp.) accountable for achieving the balance of actions were in agreement with the timeframe established to successfully transition the site from an EM to LM operation in early FY07. This process completed the identification and subsequent scheduled completion of transition activities; thereby closing this action pending Declaration of Physical Completion (DPC)/Determination of Reasonableness (DOR).

A real-time DOR CAWWT MOU was developed and authorized by DOE-EM and DOE-LM management to allow an operational transfer of aquifer restoration responsibility on the same day that DPC was submitted. As such, the operational responsibility transfer

could be conducted in two phases by mutual design; to prevent the water treatment facility being shut down pending the 14 calendar day review by DOE to conduct their DOR.

The Final STP was submitted to EM-1/LM-1 for approval on March 1, 2005 and signed on March 29, 2005. The STP identified configuration control milestones and key programmatic risks in Table 1 and Table 2, respectively. The following pages contain updates on the STP Milestones under configuration control, and the Programmatic Risks and mitigation strategies defined in the STP.

Table 1. Fernald Major Milestones

Milestone	Completion Date	Status
<p>1. EM settles the Natural Resource Damage suit.</p>	<p>Original STP Date: July 1, 2005</p> <p>Revised Date (as of Quarterly Report for period ending 6/30/05): December 1, 2005</p> <p>Revised Date (as of Quarterly Report for period ending 6/30/06): June 1, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 9/30/06): December 31, 2007</p>	<p>ON SCHEDULE: The EMCBC and Ohio Field Office (OH) continue to work toward finding an acceptable resolution for the long standing Natural Resources Damages (NRD) Claim. DOE-FCP and DOE-OH briefed EM-3 on April 18, 2006, related to a Settlement Conference that was scheduled for May 4, 2006. On April 27, 2006, a Settlement Conference call was held between DOE-FCP, Department Of Justice, Ohio Attorney General and Ohio Environmental Protection Agency. As a result, on April 27, 2006, DOJ sent OAG a revised copy of the Natural Resources Restoration Plan and a Draft Environmental Covenant to review. On Monday, May 1, 2006, the DOJ filed a motion for summary judgment, arguing that DOE had implemented everything necessary to compensate the State of Ohio for any injury to groundwater. The May 4, 2006, Settlement Conference was modified to a Status Briefing. At the Status Briefing, the judge vacated the June 2006 trial date and encouraged the parties to settle. An additional Status Briefing was scheduled for July 25, 2006. On June 16, 2006, the OAG contacted the DOJ and indicated they would like to "restart" settlement discussions. A conference call was held between the parties on June 28, 2006 and July 25, 2006. On September 1, 2006 the OAG sent a letter to the DOJ reiterating their requirements to settle. One of the OAG prerequisites to settle was DOE agreeing to spend \$17M to be used to acquire properties and easements to protect and restore groundwater in the Great Miami aquifer region. DOJ believes this request to be unreasonable. A status conference was held December 2006 with the judge. A trial date of April 24, 2007 was set by the judge. A settlement conference with all parties was held with the judge on February 15, 2007. At that conference, the judge postponed the trial date. He has set a status and settlement conference for early July 2007, at which time it is anticipated that if the parties do not settle, he will set yet another trial date, possibly in September or October 2007.</p>
<p>2. EM completes the Comprehensive Legacy Management and Institutional Controls Plan (LMICP), which also serves as the LM FCP LTS&M Plan.</p>	<p>March 31, 2006</p>	<p>COMPLETE: USEPA approval of the LMICP was received on August 7, 2006 and Ohio EPA approval of the LMICP was received on August 10, 2006.</p>
<p>3. EM with LM support completes the Program Budget Document for FY 2008.</p>	<p>April 15, 2006</p>	<p>COMPLETE: In December 2005, EMCBC received HQ's approval of the Program Budget Document (PBD) for the transfer of Budget Authority to LM on 10/1/06. LM initiated budget formulation activities for FY08-12 in February 2006. Project scope and supporting estimates for post closure activities were previously developed by EM in support of the FY07-11 budget formulation, and LM finalized formulation of the FY08-12 Budget.</p>

<p>4. EM completes transfer of records, both electronic and paper, to LM.</p>	<p>Original STP Date: April 19, 2006</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06):</p> <p>Revised Date (as of Quarterly Report for period ending 9/30/2006): 180 days post-DPC</p> <p>Original STP Date: April 19, 2006</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): At DPC</p> <p>Revised Date (as of Quarterly Report for period ending 9/30/2006): (1) Aquifer Restoration- At DPC (2) Balance of Site- At DOR</p>	<p>ON SCHEDULE: This STP Milestone will continue to adjust, as the EM Contractor's proposed date for DPC continues to adjust. EM and the EM Contractor continue to disposition the significant volume of inactive Operating Contractor records at the off-site Fernald Records Center in Springdale, Ohio. Active records that are still in EM's or the EM Contractor's possession at the time of DPC will continue to be dispositioned by EM and the EM Contractor, respectively. Active records that are required for LTS&M operations will be transferred to DOE-LM on or before DPC. EM will retain custody of some active records post-DPC, including records needed for contract close-out or litigation settlement purposes. As soon as EM transfers records to the appropriate Fernald Records Center (FRC), LM assumes custodianship of the records. Consistent with Fluor-Fernald, Inc.'s (FFI) Contract Close-out Plan, FFI must complete disposition of all records in its possession within 180 days of FFI's declaration of physical completion (DPC). The EM-CBC also plans to complete disposition of all records in its possession within 180 days of DPC.</p>
<p>5. LM assumes operational responsibility and completes procedures, contracts, and/or agreements and trains resources for monitoring and maintenance of the site in accordance with the LMICP.</p>	<p>COMPLETE: During the week of September 25, 2006, the final series of transition meetings were held to document the final list of actions, their respective responsible parties and obtain final approval that the list of actions was comprehensive in nature for all 17 RTPs. This authorization process completed the identification and subsequent scheduled completion of transition activities; thereby closing this action pending DPC/DOR. In addition, a real-time DOR CAWWT MOU was developed and authorized by DOE-EM and DOE-LM management to afford an operational transfer of aquifer restoration responsibility on the same day that DPC was submitted. As such, the operational responsibility transfer was actually conducted in two phases by mutual design; to prevent the water treatment facility being shut down pending the 14 calendar day review by DOE to conduct their DOR.</p>	<p>ON SCHEDULE: This STP Milestone will continue to adjust, as the EM Contractor's proposed date for DPC continues to adjust. EM and the EM Contractor continue to disposition the significant volume of inactive Operating Contractor records at the off-site Fernald Records Center in Springdale, Ohio. Active records that are still in EM's or the EM Contractor's possession at the time of DPC will continue to be dispositioned by EM and the EM Contractor, respectively. Active records that are required for LTS&M operations will be transferred to DOE-LM on or before DPC. EM will retain custody of some active records post-DPC, including records needed for contract close-out or litigation settlement purposes. As soon as EM transfers records to the appropriate Fernald Records Center (FRC), LM assumes custodianship of the records. Consistent with Fluor-Fernald, Inc.'s (FFI) Contract Close-out Plan, FFI must complete disposition of all records in its possession within 180 days of FFI's declaration of physical completion (DPC). The EM-CBC also plans to complete disposition of all records in its possession within 180 days of DPC.</p>

<p>6. EM submits Final CD-4 Package for Energy Systems Acquisition Advisory Board (ESAAAB) Approval.</p>	<p>Original STP Date: June 1, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): December 31, 2006</p> <p>Revised Date (as of Quarterly Report for period ending 9/30/06): April 28, 2007</p>	<p>ON SCHEDULE: EM and LM will jointly prepare a "Punch List" of critical actions (both EM and LM) that have not been completed by the time of site transition (10/1/06) and which directly affect the operational transfer of the Fernald site to LM. The Punch List of open critical actions, if any, will be part of the STP Addendum that is included in EM's CD-4 Package submittal to DOE Headquarters. As of quarterly report period ending 9/30/06, the schedule for EM-CBC's submittal of the CD-4 Package to DOE Headquarters is 4/28/07.</p>
<p>7. LM is prepared to accept the remaining portions of the existing regulatory agreements for LMICP and OUS.</p>	<p>Original STP Date: September 30, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): December 31, 2007</p> <p>Original STP Date: September 30, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): December 31, 2007</p>	<p>ON SCHEDULE: LM was involved in the LMICP development and OUS activities during transition to ensure preparedness at the time of transfer. EM's target date for "Regulatory Completion" has been moved to the end of CY07. The target date in the STP (9/3/07) was based on the original DPC date, plus 18 months. However, as the DPC date continued to move out, the date for Regulatory Completion had to be adjusted accordingly.</p>
<p>8. EM satisfies the Amended Consent Agreement (ACA) for OU1 through OU4.</p>	<p>Original STP Date: September 30, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): December 31, 2007</p> <p>Original STP Date: September 30, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): December 31, 2007</p>	<p>ON SCHEDULE: EM, USEPA, and ORPA negotiated the schedule and logic for the final Remedial Action Reports and Preliminary Closeout Reports (PCORs) for each of the OUs that was documented in a Closeout Report strategy fact sheet. EM's target date for "Regulatory Completion" has been moved to the end of CY07. The target date in the STP (9/3/07) was based on the original DPC date, plus 18 months. However, as the DPC date continued to move out, the date for Regulatory Completion had to be adjusted accordingly.</p>
<p>9. Responsibility for pensions and benefits transferred to LM.</p>	<p>Original STP Date: October 1, 2007</p>	<p>ON TRACK: EMCBC received conditional approval from EM-I to transfer post-closure benefits administration to Fluor Fernald's affiliate (Fluor Hanford) at the Hanford site. Contracting Officer directing to begin preparations for transfer was issued to Fluor Fernald. Final direction to transfer is pending DOE Richland's modification to the Fluor Hanford contract (target date is on or before 10/1/07). Fluor Fernald will continue benefits administration until direction is given to proceed with transfer.</p>

<p>10. LM accepts active real property records/transfer.</p>	<p>Original STP Date: October 4, 2007</p> <p>Revised Date (as of Quarterly Report for period ending 3/31/06): At CD-4 approval</p>	<p>ON SCHEDULE: EM Quarterly follow-up assessment was completed in March 21-25, 2005 resulting in a detailed list of activities to be completed, and organizational responsibilities for both EM and LM through site closure. Jurisdictional transfer (in a real property sense) of the Fernald site will transfer from EM to LM upon DOE Headquarters' approval of EM's Critical Decision-4 (CD-4) Package. The CD-4 Package will be approved some time after LM assumes Budget Authority for the site on 10/1/06. Upon CD-4 approval and jurisdictional transfer of the Fernald site, the LM Realty Officer will assume custodianship of all Fernald real property records. NOTE: Due to the FY07 Continuing Resolution, Budget Authority will not transfer until 10/1/07.</p>
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Table 2. Fernald Programmatic Risks and Risk-Handling Strategy

Risk Condition	Consequence	Risk-Handling Strategy	Status
<p>A disposition path for the OU4 (Silos) Waste has not been identified.</p>	<p>HIGH: Physical Completion cannot occur without removal of the silo waste from the site. If a disposal contract is not in place by the date at which FFI declares readiness on the silo's project (currently projected for March 31, 2005), the ability for FFI to declare physical completion by March 31, 2006, is in jeopardy.</p>	<p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> LM subcontracts will be written to begin as early as April 19, 2006, but with flexibility in the start date. Assume operational transfer in FY 2006 but financial transfer in FY 2008 due to Regulatory Completion activities that will extend into FY 2007. This will also allow a contingency period for any slippage in the declaration of physical completion. EM (DOE-OH) and FFI partial risk mitigation/procurement strategy is in place to remove the waste (either temporarily or permanently) to an off site permitted facility. 	<p>RISK FULLY-MITIGATED: A disposition path has been established for Silos 3 waste, and waste operations and shipping continue. Silo 3 waste shipping to Envirocare was completed on April 11, 2006.</p> <p>On April 28, 2005, Fluor Fernald awarded a contract to WCS of Texas for the interim storage of the treated Silo 1&2 material. The Silo 1&2 treatment facility started operations on May 19, 2005. As of May 1, 2006, Silo 1 and 2 had produced and shipped 3,776 cans to WCS for Interim Storage. Waste extraction and processing was completed February 25, 2006. Waste shipments to WCS were completed in June 2006.</p>
<p>Potential post-closure financial responsibilities resulting from the Natural Resource Damage (NRD) Settlement are unknown.</p>	<p>HIGH: The terms of the NRD Settlement need to be defined by the February 2005 time frame to support the budget formulation process for FY 2007 or there will be inadequate funds to implement the Settlement. Delay in finalizing the NRD Settlement beyond July 1, 2005, also impacts the ability of FFI to implement the terms of the Settlement by the March 31, 2006. Declaration of Physical Completion and to finalize the LMICP.</p>	<p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> EM (DOE Ohio Field Office [DOE-OH]) will negotiate terms of the draft Settlement by February 1, 2005. EM (DOE-OH), in consultation with LM, will include a planning assumption (based on current negotiations) for the settlement costs in the FY 2007 budget formulation process. EM (DOE-OH) will finalize the Settlement by July 1, 2005, to allow for the following successor activities in the exit schedule: <ul style="list-style-type: none"> Implement terms of the Settlement via a Record of 	<p>RISK PARTIALLY-MITIGATED: The EMCBC and Ohio Field Office (OH) continue to work toward finding an acceptable resolution for the long standing Natural Resources Damages (NRD) Claim. DOE-FCP and DOE-OH briefed EM-3 on April 18, 2006, related to a Settlement Conference that was scheduled for May 4, 2006. On April 27, 2006, a Settlement Conference call was held between DOE-FCP, Department Of Justice, Ohio Attorney General and Ohio Environmental Protection Agency. As a result, on April 27, 2006, DOJ sent OAG a revised copy of the Natural Resources Restoration Plan and a Draft Environmental Covenant to review. On Monday, May 1, 2006, the DOJ filed a motion for summary judgment, arguing that DOE had implemented everything necessary to compensate the State of Ohio for any injury to groundwater. The May 4, 2006, Settlement Conference was modified to a Status Briefing. At the Status Briefing, the judge vacated the June 2006 trial date and encouraged the parties to settle. An additional Status Briefing</p>

<p>The ability of LM to complete procedures, negotiate contracts and/or agreements, and train resources for monitoring and maintenance of the site by April 19, 2006, is uncertain.</p>	<p>HIGH: The date at which procurement activities and resource training activities need to begin to ensure timely completion will be before all long-term monitoring requirements have been fully established by EM.</p>	<p>Decision (ROD) modification by October 1, 2005.</p> <ul style="list-style-type: none"> Define requirements for the Statement of Work in support of LM procurement of a Site Management contractor by July 30, 2005. Provide a decision by August 1, 2005 regarding whether the trailers/warehouse will remain, whether it's on site/off site, and determine the occupants. Revise Final LMICP to include Settlement terms by January 31, 2006. 	<p>was scheduled for July 25, 2006. On June 16, 2006, the OAG contacted the DOJ and indicated they would like to "restart" settlement discussions. A conference call was held between the parties on June 28, 2006 and July 25, 2006. On September 1, 2006 the OAG sent a letter to the DOJ re-iterating their requirements to settle. One of the OAG prerequisites to settle was DOE agreeing to spend \$1.7M to be used to acquire properties and easements to protect and restore groundwater in the Great Miami aquifer region. DOJ believes this request to be unreasonable. A status conference was held December 2006 with the judge. A trial date of April 24, 2007 was set by the judge. A settlement conference with all parties was held with the judge on February 15, 2007. At that conference, the judge postponed the trial date. He has set a status and settlement conference for early July 2007, at which time it is anticipated that if the parties do not settle, he will set yet another trial date, possibly in September or October 2007.</p>
<p>Active real property records do not meet DOE criteria for transfer.</p>	<p>HIGH: EM (DOE-OH) has not had a certified real estate specialist on staff. Records consist of varying individual filing systems used for several years, with a varying degree of quality. If active real property records do not meet DOE criteria for transfer, the CD-4 package will be delayed, thereby delaying LM acceptance of the site.</p>	<p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> LM will begin procurement activities by July 30, 2005. EM (DOE-OH and FFI) will provide the most current information on the On-Site Disposal Facility, Converted Advanced Wastewater Treatment, NRD Settlement, etc., to support development of the Statement of Work. <p>MITIGATION PLAN:</p> <ol style="list-style-type: none"> Joint Richland (currently providing Real Estate support to DOE-OH) and LM assessment of OH records beginning in FY 2004 to identify actions to be completed for real property records to meet DOE criteria for transfer. Quarterly follow-up assessments to be conducted in FY 2005 to monitor progress and perform 	<p>RISK FULLY-MITIGATED: LM conducted monthly site visits during transition to gain an understanding of requirements and collect information relating to the operation of the OSDP, CAWWT, NRD Settlement, etc. in support of future procurement activities. During the week of September 25, 2006, the final transition meetings were held to document the completion of transition thru the closure of all 17 RTPs. In the programmatic RTP, the list of all transition-required procurement activities was approved and on schedule to be in place according to the required timeframes to be operationally ready on Day One.</p> <p>RISK PARTIALLY-MITIGATED: EM Quarterly follow-up assessment was completed March 21-25, 2005, resulting in a detailed list of activities to be completed and organizational responsibilities for both EM and LM through site closure.</p> <p>An assessment of the FIMS data based specific to Fernald was conducted in August 2006, corrective actions provided to the EM contractor and in turn, data field improvements were made.</p> <p>Jurisdictional transfer (in a real property sense) of the Fernald site will transfer from EM to LM upon DOE Headquarters' approval of EM's Critical Decision-4 (CD-4) Package. The CD-</p>

<p>The availability of a national contract for pensions and benefits management at physical completion is uncertain.</p>	<p>MEDIUM: The FFI contract allows for DOE direction regarding continued management of the pensions and benefits; however, costs for continued management are not currently identified in the FY 2007 budget.</p>	<p>interim acceptance of completed portions of the records.</p>	<p>4 Package will be approved some time after LM assumes Budget Authority for the site on 10/1/06. Upon CD-4 approval and jurisdictional transfer of the Fernald site, the LM Realty Officer will assume custodianship of all Fernald real property records. NOTE: Due to the FY07 Continuing Resolution, Budget Authority will not transfer until 10/1/07.</p>
<p>As a result of the downsizing of EM (DOE-OH) offices, availability of adequate resources to support closure activities is in question.</p>	<p>MEDIUM: Functions of the Consolidated Business Center (CBC) for closure activities are currently being defined to minimize impacts to closure sites.</p>	<p>MITIGATION PLAN: 1. FFI to identify options, the date at which decisions are needed to ensure continued management, and resource needs for each option in February 2005 to support FY 2007 budget formulation. 2. EM (DOE-OH) will review the alternatives and make a decision on the path forward by April 1, 2005.</p>	<p>RISK PARTIALLY-MITIGATED: EMCBC received conditional approval from EM-1 to transfer post-closure benefits administration to Fluor Fernald's affiliate (Fluor Hanford) at the Hanford site. Contracting Officer direction to begin preparations for transfer was issued to Fluor Fernald. Final direction to transfer is pending DOE Office of River Protection modification to the Fluor Hanford Group contract (target date is on or before 10/1/07). Fluor Fernald will continue benefits administration until direction is given to proceed with transfer</p>
<p>The ability for EM to achieve Regulatory Completion in FY 2007 is uncertain.</p>	<p>MEDIUM: Because the OUS remedy will continue as a long-term response action, it is unclear how EM will close the Amended Consent Agreement and Amended Consent Decree in support of Regulatory Completion during FY 2007.</p>	<p>MITIGATION PLAN: 1. EM (DOE-OH) will complete a functional analysis and gap analysis. The EM-CBC Director will concur on the FCP STP to serve as a Memorandum of Agreement/Understanding of closure services to be provided.</p>	<p>RISK FULLY-MITIGATED: The STP identified activities to be completed by the EM-CBC. Concurrence from the EM-CBC was received prior to transmittal of the STP to HQ for signature. A detailed activity matrix including responsibilities of EM-OH, EM-CBC, Fluor Fernald, LM, and Stoller has been developed for each functional area. It is being used by the Fernald Transition team to track all activities to be completed between now and closure.</p>
<p>The ability for EM to achieve Regulatory Completion in FY 2007 is uncertain.</p>	<p>MEDIUM: Because the OUS remedy will continue as a long-term response action, it is unclear how EM will close the Amended Consent Agreement and Amended Consent Decree in support of Regulatory Completion during FY 2007.</p>	<p>MITIGATION PLAN: 1. EM-CBC will be staffed by closure cadre personnel that could perform Regulatory Completion beyond FY 2007. 2. EM (DOE-OH and FFD), U.S. Environmental Protection Agency (EPA), and Ohio EPA are negotiating the schedule and logic for the Remedial Action Reports for each of the OUs that will be documented in a Closeout Report Strategy Fact Sheet.</p>	<p>RISK PARTIALLY-MITIGATED: EM-OH, USEPA, and OEP have negotiated the schedule and logic for the final Remedial Action Reports and Preliminary Closeout Reports (PCORs) for each of the OUs that will be documented in a Closeout Report strategy fact sheet. LM will complete the Final Close-Out Report upon attainment of cleanup goals in the aquifer restoration project (OUS) projected for the year 2025.</p>

Appendix 2: List of the 17 Responsibility Transition Packages (RTPs) and the Remaining Responsibility Turnover Forms Action Items

Records Management (including Active & Inactive records, FOIA and Privacy Act requests, EEOICPA Program, and CERCLA Administrative Record/Public Reading Room)

CERCLA Responsibilities (including site-wide residual risk assessment, five-year reviews of remedy, and remedial action report)

Utilities (including electric power, potable water and natural gas)

Aquifer Restoration and Wastewater Treatment Operations (including groundwater extraction wells, water treatment infrastructure [CAWWT facility], and long-term stewardship of On Site Disposal Facility [OSDF])

Information Management (including electronic information systems/data migration and IT hardware, and infrastructure for post-closure IT and Telecommunications)

Programmatic Infrastructure and Site Services (including Health & Safety Plan, QA Plan, Site Access Plan, emergency management, site-wide contracted support, radiological protection, payment in lieu of taxes [PILT], and Training Program)

Real Property Management (including responsibility for all land and other real property, access to all sampling locations on private property, and office space for LM/LM contractor personnel)

Integrated Environmental Monitoring Plan (including IEMP Monitoring Program [groundwater, surface water, treated effluent, sediment, air] and reporting requirements)

Natural and Cultural Resource Management (including, among other things: maintenance of wetlands, cooperative agreement between DOE and Ohio Historical Society re archived Native American artifacts, and procedure for Unexpected Cultural Resource Discoveries)

On Site Disposal Facility (OSDF) (including OSDF maintenance and inspections, and OSDF configuration management)

State Permits and Programs (including NPDES Program, RCRA Program, and fugitive dust procedures)

Federal Permits and Programs (including NESHAP and SARA reporting, Freon Program, and Spill Prevention, Control & Countermeasures [SPCC] Program)

Personal Property Management (including GSA vehicles and personal property)

Federal and State Regulatory Agreements (including Consent Agreement and Amendments, Consent Decree and Amendments, FFA- Radon, Director's Findings & Orders [DFO], and Comprehensive LMICP)

Stakeholder Relations (including public & stakeholder involvement, reading room facilities, Fernald website, Cold War Garden, public outreach, and historical artifacts)

Waste Management (including sanitary waste, LLW and Mixed-LLW, hazardous waste, and recycling program)

Worker Benefits Administration (including retiree pension & benefits and displaced worker medical benefits, and worker transition services)

Count of Actions, By Responsible Party

Responsible Party	01. CERCLA	03. Regulatory Agreements	04. Stakeholder	05. Records Management	06. Real Property	07. Programmatic Infrastructure	11. Waste Management	12. OSDF	13. Information Management	15. State Permits	17. Worker Benefits	N/A	Grand Total
EMCBC	7	7	2	11	18	0	2	0	0	1	1	2	51
DOE EM	5	8	1	6	0	1	0	0	0	0	4	15	38
DOE LM	0	2	1	3	0	3	0	0	0	0	6	4	19
CD-4 HQ Entities (ESAAB, OECM, etc)	0	0	0	0	0	0	0	0	0	0	0	0	0
Stoller	2	0	0	1	0	2	0	1	2	0	0	0	9
Fluor Fernald	2	0	0	3	0	0	1	0	0	0	0	0	8
DOE-HQ Procurement	0	0	0	0	0	0	0	0	0	0	1	0	6
Total	16	15	4	24	18	6	3	1	2	1	12	30	132

**Fernald Preserve
Open Post-Transition Action Items**

Related RTP	Action No./ Action Desc.	Responsible Party	Fluor/ EM Control	Original Target Finish Date	Actual Finish Date
01. CERCLA	<input type="checkbox"/>				
Soil Certification Reports.					
01. CERCLA	01.A.01.c DOE EMCBC submits agency approved copies of the soil certification reports to Stoller for all reports approved after DPC. (RTP Action)	EMCBC		30 days after receipt	
01. CERCLA	01.A.01.d Stoller will place agency approved copies of the soil certification reports to the PEIC. (RTP Action)	Stoller		30 days after receipt	
01. CERCLA					
Residual Risk Assessment					
01. CERCLA	01.A.09.a EMCBC/Fluor Fernald resolve comments on the Final Interim Residual Risk Assessment (RTP Action)	EMCBC/Fluor Fernald		6 months post DPC	
01. CERCLA	01.A.09.b EMCBC/Fluor Fernald complete the Final Interim Residual Risk Assessment (WBS 2.3.5) (RTP Action). Related Transition Matrix Action: 02.03.05 FF submit final Sitewide Interim Residual Risk Assessment report.	Fluor Fernald	x	6 months post DPC	

01. CERCLA	01.A.11 Provide copy of Response to Comments on the Draft document and a copy of the Final Interim Residual Risk Assessment to LM (RTP Action)	EMCBC	12/31/2007	
01. CERCLA	01.A.12 Provide a working file for the Final agency-approved Interim Residual Risk Assessment (i.e., electronic copy) to LM (RTP Action)	EMCBC	12/31/2007	
01. CERCLA	Surface Water Data			
01. CERCLA	01.A.13 Fluor Fernald will provide surface water data (specific data points and summary information) to support the IES tool (RTP Action)	Fluor Fernald	90 days post DPC	
01. CERCLA	OU Remedial Action Reports			
01. CERCLA	02.01.05.06 Close OU3 regulator agreement(s) (Transition Matrix Action)	DOE-EM	01/12/07	
01. CERCLA	01.B.04.c Provide a copy of the agency approved addendum for OU4 (RTP Action)	EMCBC	30 days after receipt	
01. CERCLA	01.B.05.a Provide a copy of the agency approved OU 5 Final Interim Remedial Action Report and any Response to Comments. (RTP Action)	EMCBC	30 days after receipt	
01. CERCLA	01.B.05.b Copy of the agency approved OU5 Final Remedial Action Report posted on the LM Portal. (RTP Action)	Stoller	2 weeks after receipt	
01. CERCLA	01.B.06 Provide working file (word file) for OU5 Final Interim Remedial Action Report. (RTP Action)	EMCBC	12/3/2007	
01. CERCLA	02.01.07.02 Submit the OU5 Interim RA Report to the regulators (Transition Matrix Action)	DOE-EM	08/28/06	
01. CERCLA	02.01.07.03 Incorporate regulator comments into the OU5 Interim RA Report, if necessary (Transition Matrix Action)	DOE-EM	01/12/07	

01. CERCLA		02.01.07.04 Gain regulator approval for OU5 interim RA report (Transition Matrix Action)	DOE-EM		01/12/07	
01. CERCLA		02.01.08 EM Satisfies the Amended Consent Agreement (ACA) for OU1 - OU4 (Transition Matrix Action, STP Milestone)	DOE-EM		12/31/07	
03. Regulatory Agreements		Regulatory Agreements & Responsibilities				
03. Regulatory Agreements		02.05.05.04.03 Transfer regulatory responsibility for the Cooperative Agreement from EM to LM (Transition Matrix Action)	DOE-LM		12/31/07	
03. Regulatory Agreements		02.05.01.03.02.02 Transfer regulatory responsibility for the Consent Decree from EM to LM (Transition Matrix Action)	DOE-EM		12/31/07	
03. Regulatory Agreements		02.05.01.03.05.02 Transfer regulatory responsibility for the DF&O - GW from EM to LM (Transition Matrix Action)	DOE-EM		12/31/07	
03. Regulatory Agreements		02.05.01.04.01.02 Transfer regulatory responsibility for the 1996 Programmatic Agreement from EM to LM (Transition Matrix Action)	DOE-EM		12/31/07	
03. Regulatory Agreements		02.05.04.02 Terminate programmatic agreement for disposition of facilities under OU3 (ROD) (Transition Matrix Action)	DOE-EM	x	06/01/06	
03. Regulatory Agreements		02.05.04.04.01 Close the DF&O - June 1987 (Transition Matrix Action)	DOE-EM		12/31/07	
03. Regulatory Agreements		02.05.04.04.03 Closeout the DF&O - June 1996 (RCRA/CERCLA) (Transition Matrix Action)	DOE-EM		12/31/07	
03. Regulatory Agreements		02.05.05.03.02 Transfer regulatory responsibility for negotiating State Oversight Cost Recovery Grant for Post Closure Activities (Transition Matrix Action)	DOE-LM		12/31/07	
03. Regulatory Agreements		03.A.05 Terminate the Amended Consent Agreement (ACA) (RTP Action)	EMCBC		2010+	

03. Regulatory Agreements	03.B.03 Terminate the Amended Consent Decree (ACD) (RTP Action)	EMCBC	2010+	
03. Regulatory Agreements	03.C.04 Terminate the Federal Facilities Compliance Agreement (FFCA) (RTP Action)	EMCBC	2010+	
03. Regulatory Agreements	03.D.03 DOE EMCBC to terminate the Federal Facilities Agreement - Radon Agreement prior to Regulatory Completion. (RTP Action) & 02.05.01.03.04.03 Closeout Agreement prior to Regulatory completion. (Transition Matrix Action)	EMCBC	12/31/2007	
03. Regulatory Agreements	03.E.05 DOE EMCBC to terminate Director's Finding and Orders (DF&O)- June 1987 prior to Regulatory Completion. (RTP Action)	EMCBC	12/31/2007	
03. Regulatory Agreements	03.E.08 DOE EMCBC to terminate Director's Finding and Orders (DF&O)- June 1996 (RCRA/CERCLA) prior to Regulatory Completion. (RTP Action)	EMCBC	12/31/2007	
03. Regulatory Agreements	03.E.07 DOE EMCBC to terminate Director's Finding and Orders (DF&O)- September 2000 prior to Regulatory Completion. (RTP Action)	EMCBC	12/31/2007	
04. Stakeholder	MUEF and Cold War Garden			
04. Stakeholder	04.B.03 Renovation of warehouse for use as MUEF (WBS 8.3 Thru 8.3.5) (RTP Action) & 08.05.04 Construct/remodel the MUEF (Transition Matrix Action) & 08.05.08 Transfer MUEF responsibility to LM (Transition Matrix Action)	EMCBC	Summer 2008	
04. Stakeholder	08.05.06 Obtain equipment necessary for the operation of the MUEF (Transition Matrix Action)	DOE-EM	Summer 2008	
04. Stakeholder	04.B.04 Operational responsibility for MUEF (WBS 8.3 Thru 8.3.5) (RTP Action) & 08.05.07 Put MUEF into operation (Transition Matrix Action)	DOE-LM	Summer 2008	

04. Stakeholder	04.D.02 Construction and placement of permanent home for Cold War Garden (WBS 8.6.2 thru 8.6.4) (RTP Action) & 08.06.04 Complete construction of the Cold War Garden (Transition Matrix Action)	EMCBC/DOE-LM	Summer 2008	
Transfer and/or Disposition Records				
05. Records Management	05.A.17 Fluor Fernald to identify all Post-1992 electronic records that have been dispositioned to FRC to date. (RTP Action)	Fluor Fernald	2/28/2007	
05. Records Management	05.A.18.a.01 Fluor Fernald to provide Fernald destruction certificate documentation for Post-1992 records to LM/Stoller (RTP Action)	Fluor Fernald	4/1/2007	
05. Records Management	05.A.18.a.02 EMCBC to provide the EMCBC destruction certificate documentation for Pre-1992 records (i.e., "DOE" records) to LM/Stoller. (RTP Action)	EMCBC	4/1/2007	
05. Records Management	04.04.05 Provide a complete list to LM of all records (i.e., records series, location, volume and POC) that have not been dispositioned to the FRC (PRE-1992). (Transition Matrix Action)	DOE-EM/Fluor Fernald	x 09/30/06	
05. Records Management	04.04.05.01 Provide a complete list to LM of all records (i.e., records series, location volume and POC) that have not been dispositioned to the FRC (POST-1992). (Transition Matrix Action)	Fluor Fernald	09/30/06	

05. Records Management	05.A.18.b.01 DOE (CBC Records Team) has digitized all destruction certificates for Fernald records previously-held by the OH Springdale office (post 1992 records), and EMCBC will turn those key-word searchable destruction certificates over to LM (i.e., same thing EMCBC turned over to LM for the Mound records in May 06). (RTP Action) & 04.01.09.02 EM provides copies of the Finding Aides (SF-135s and Destruction Certificates) (Transition Matrix Action) & 04.04.02.01 EM provides Records Destructions Certificates to LM (Transition Matrix Action)	EMCBC Fluor Fernald	-	4/1/2007
05. Records Management	05.A.18.b.02 DOE (CBC Records Team) has digitized all destruction certificates for Fernald records previously-held by the OH Springdale office (EMCBC "DOE" records), and EMCBC will turn those key-word searchable destruction certificates over to LM (i.e., same thing EMCBC turned over to LM for the Mound records in May 06). (RTP Action) & 04.01.09.02 EM provides copies of the Finding Aides (SF-135s and Destruction Certificates) (Transition Matrix Action) & 04.04.02.01 EM provides Records Destructions Certificates to LM (Transition Matrix Action)	EMCBC		4/1/2007
05. Records Management	05.A.19.a.02 EMCBC to provide the SF-135s for Pre-1992 records (EMCBC "DOE" Records) to LM/Stoller. (See additional note regarding this action in RTP.) (RTP Action) & 04.01.09.02 EM provides copies of the Finding Aides (SF-135s and Destruction Certificates) (Transition Matrix Action)	EMCBC		4/1/2007

05. Records Management	04.04.02 EM provides paper copies of SF-135's, SF-258's and NA13148's (Report to NARA on Permanent and Unscheduled Records over 30 Years Old in Agency Custody for records dispositioned to the FRC. (Transition Matrix Action)	DOE-EM	10/01/06	
05. Records Management	04.02.04 LM review Final Record Collection Inventory (Acceptance) (Transition Matrix Action)	DOE-LM	04/01/07	
05. Records Management	05.A.20 EM completes the disposition and transfer of all records from 1950 to 1992 to the appropriate FRC. (RTP Action) & 04.04.16.01 Complete the disposition and transfer of inactive records from 1950 through 1991 to the Dayton Federal Records Center (Transition Matrix Action)	EMCBC/DOE-EM/Fuor Fernald	2/28/2007	
05. Records Management	04.02.09 Disposition Fernald Operating Contractor Pre-1992 Records (Transition Matrix Action)	DOE-EM	10/29/06	
05. Records Management	05.A.18.a.02 EMCBC to provide the EMCBC destruction certificate documentation for Pre-1992 records (i.e., "DOE" records) to LM/Stoller. (RTP Action)	EMCBC	Post DOR	
05. Records Management	05.A.18.a.02 EMCBC to provide the EMCBC destruction certificate documentation for Pre-1992 records (i.e., "DOE" records) to LM/Stoller. (RTP Action)	EMCBC	Post DOR	

05. Records Management	05.A.18.b.02 DOE (EMCBC Records Team) has digitized all destruction certificates for Fernald records (EMCBC "DOE" Records) previously held by the OH Springdale office, and EMCBC will turn those key-word searchable destruction certificates over to LM (i.e., same thing EMCBC turned over to LM for the Mound records in May 06). (RTP Action)	EMCBC		Post DOR	
05. Records Management	05.A.19.b EMCBC to provide Fernald SF-135s for Pre-1992 records to LM/Stoller. (See additional note in RTP regarding this action.)	EMCBC		Post DOR	
05. Records Management	05.A.21.c Contract closeout records, records related to litigations, and records to support audits after contract will all be archived to an appropriate FRC at an appropriate timeframe deemed reasonable by EMCBC (RTP Action) & 04.02.01 EM provide a general list to LM of Litigation and contract closeout records to be maintained by CBC for a finite period (Transition Matrix Action) & 04.04.03 Prepare comprehensive list of remaining Contract Closeout Records. To include but not limited to: ongoing EEO/CPA, FOIA, Litigation and Closeout. (Transition Matrix Action)	EMCBC		180 days post DPC	
05. Records Management	04.02.01 EM provide a general list to LM of Litigation and contract closeout records to be maintained by CBC for a finite period (Transition Matrix Action)	DOE-EM		09/30/06	
05. Records Management	04.02.06 Disposition Inactive Records According to Federal Records Center requirements (Transition Matrix Action)	DOE-EM		04/01/07	

05. Records Management		05.A.29 EM shall maintain, update and disposition to the Federal Records Center(s) all real property records until EM receives DOE Headquarters approval of the CD-4 package. (RTP Action)	EMCBC	90 days post CD-4 Submittal	
05. Records Management	<input type="checkbox"/>	05.A.30 LM assumes custody and responsibility for all real property records when EM's Critical Decision-4 (CD-4) package is approved by DOE Headquarters. (RTP Action)	DOE-LM (Records)	90 days post CD-4 Submittal	
05. Records Management	Administrative Record & Other Digitizing Projects				
05. Records Management		05.C.05 LM/Stoller to digitize the "Telling the Story" document collection. (RTP Action)	Stoller	9/30/2007	
06. Records Management		04.03.03.e LM retrieves final CERCLA AR boxes from the FRC to be digitized (Transition Matrix Action)	DOE-LM	TBD	
05. Records Management		04.03.02.01 Develop Final [AR] Procedures for LM (Transition Matrix Action)	DOE-EM/LM	x	07/31/07
06. Real Property	Real Property Responsibilities & Instruments Transferred				
06. Real Property		06.A.25.a Real Property Transfer - Fernald deed-Original acquisition records (RTP Action)	EMCBC		10/1/2007
06. Real Property		06.A.25.b Real Property Transfer - Easements-utility lines, gas line (RTP Action)	EMCBC		10/1/2007
06. Real Property		06.A.25.c Real Property Transfer - Silo's warehouse (94K) (RTP Action)	EMCBC		10/1/2007
06. Real Property		06.A.25.d Real Property Transfer - CAWWT facility (51A) (RTP Action)	EMCBC		10/1/2007
06. Real Property		06.A.25.e Real Property Transfer - OSDF (RTP Action)	EMCBC		10/1/2007
06. Real Property		06.A.25.f Real Property Transfer -Oxygen Removal Building (18P) (RTP Action)	EMCBC		10/1/2007

06. Real Property	06.A.25.g Real Property Transfer - Communications Building on Security Hill (23B) (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.h Real Property Transfer - Aquifer restoration associated buildings/Valve houses (18Q, 18VH) (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.i Real Property Transfer - Well House for Well 16 (18S) (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.j Real Property Transfer - Outfall Line Sampling Bldg. (18R) (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.k Real Property Transfer - Paved roads (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.l Real Property Transfer - Electrical poles (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.m Real Property Transfer - Remaining perimeter fences and gates (excluding farm fencing; reference Action A.11) (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.25.n Real Property Transfer - Trestle (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.26 EM-CBC shall ensure that all real property paperwork is complete and ready to transfer at jurisdictional transfer. (RTP Action)	EMCBC	10/1/2007	
06. Real Property	06.A.27 Responsibility for maintenance/entry of FIMS data. (RTP Action) & 06.03.02.05 Administratively transfer FIMS responsibility to LM (Transition Matrix Action)	EMCBC	10/1/2007	
06. Real Property	06.03.04.a Complete a boundary survey to re-establish site boundary for encroachments, fences, etc. Must include confirmed legal description by licensed surveyor. (Transition Matrix Action)	EMCBC	10/01/07	

06. Real Property	06.03.06 EM Transfers DOE Real Property Responsibility to LM; LM accepts responsibility (Transition Matrix Action, STP Milestone)	EMCBC	10/01/07	
DCR and GEMS				
07. Programmatic Infrastructure	07.B.04 Submit approved DCRs to EPA. Submittal documentation is in process, awaiting the IT demonstration of system equivalency to occur prior to submittal. Demo schedule in advance of DPC. Any comments and/or changes as a result of agency review will be addressed by Stoller. (RTP Action) & 01.01.12.03 DOE-EM-transmit DCR to regulators for review and approval (Transition Matrix Action)	DOE-EM	TBD	
07. Programmatic Infrastructure	03.03.10.01.02 LM/Stoller Presents GEMS to the regulators (Transition Matrix Action)	DOE-LM	TBD	
07. Programmatic Infrastructure	03.03.10.01.04 Provide training session for regulators on how to use GEMS (Transition Matrix Action)	DOE-LM	TBD	
07. Programmatic Infrastructure	03.03.10.01.06 Fernald data is available in GEMS with any enhancements required for the regulators (officially replacing the extranet) (Transition Matrix Action) & 03.03.10.01.05 Extranet no longer available on-line to regulators (Transition Matrix Action)	DOE-LM	TBD	
Contracts				
07. Programmatic Infrastructure	07.E.02.15 Interim Risk Assessment modeling/evaluation services (Award post-closure contract) (RTP Action)	Stoller	CY07, 1st Quarter	

07. Programmatic Infrastructure	07.E.02.44 Disposition of LLW & LLMW (Award post-closure contract) (RTP Action) & 02.06.07.04 LM procure post closure LLW disposal and transportation services (Transition Matrix Action)	Stoller	5/31/2007	
11. Waste Management	Disposition Existing Waste			
11. Waste Management	11.B.11 EMCBC to provide copy of certificate of destruction 30 days from receipt for LLW and MW dispositioned. (RTP Action)	EMCBC	30 days after receipt	
11. Waste Management	11.C.08 Fluor Fernald to provide copy of manifest indicating all hazardous waste generated by Fluor Fernald and its subcontractors have been disposition off site. (RTP Action)	Fluor Fernald	120 days post DPC	
11. Waste Management	11.C.09 Fluor Fernald to provide copy of certificate of destruction 30 days from receipt for hazardous waste dispositioned. (RTP Action)	EMCBC	30 days after receipt	
12. OSDF	OSDF Transfer			
12. OSDF	12.B.11 Have access to the final MSE OSDF web-based model. Note that Fluor Fernald/DOE-EM can not control when MSE issues the model. This date is based upon Andrea Hart's estimate. (RTP Action)	Stoller/Fluor Fernald	45 days after receipt	
13. Information Management	IM Procedures and Training			
13. Information Management	13.A.02.b Procedures/program documents that support electronic info/data migration and IT hardware after Stoller assumes control of the network prepared, approved, and ready to be implemented. (RTP Action)	Stoller	1/29/2006	

13. Information Management	13.A.03.b Perform Training and/or obtain certifications to perform function after Stoller assumes control of the network. (RTP Action)	Stoller	1/29/2006
15. State Permits	State Permit Related Actions		
15. State Permits	15.C.05 EM-CBC/Fluor will retain responsibility for the Part B Application and June 1998 DF&O through termination of both. (RTP Action)	EMCBC/Fluor Fernald	Prior to CD-4 approval, expected Fall 2007
17. Worker Benefits	Worker Compensation		
17. Worker Benefits	09.03.01.01 Determine the specific office and point-of-contact with the State of Ohio to which open current worker compensation claims will transfer (Transition Matrix Action)	DOE-EM	12/22/06
17. Worker Benefits	09.03.04 Fluor Files Final Payroll Report. Transfer responsibility for open current worker compensation claims to the State of Ohio. (Transition Matrix Action)	DOE-EM	12/22/06
17. Worker Benefits	Retiree Pension & Benefits and Displaced Worker Medical Benefits		
17. Worker Benefits	17.A.4 Determine if the current Fluor Fernald contracts with third party benefits administrator will be transferred to a new contractor and if so, identify the new contractor. (RTP Action)	DOE-LM/Fluor Fernald	12/31/2006
17. Worker Benefits	09.01.07 Perform turnover between FF benefits vendor and identified entity (Transition Matrix Action)	DOE-LM	12/31/06
17. Worker Benefits	17.A.5 DOE-EM request to DOE-HQ Procurement to terminate pension. (RTP Action)	DOE-EM	12/31/2006
17. Worker Benefits	17.A.6 DOE-HQ Procurement to concur to terminate pension. (RTP Action)	DOE-HQ Procurement	FY 2007

17.Worker Benefits	17.A.7 DOE-EM issue formal direction to Fluor Fernald regarding transfer of post-closure benefits administration to another contractor. (RTP Action) & 09.01.03 Provide written guidance to Fluor Fernald required by the Closure Contract concerning administration of benefits post-closure. (Transition Matrix Action)	DOE-EM	12/31/2006	
17.Worker Benefits	09.01.05.01 Identify and transfer active P&B and worker medical benefits files/records that need to Plan Administrator (Transition Matrix Action)	DOE-LM	12/31/06	
17.Worker Benefits	09.01.09 Transfer responsibility for oversight of the funding for the retiree benefits and pension fund program to DOE-LM. DOE-LM accept responsibility (Transition Matrix Action)	DOE-LM	10/01/06	
17.Worker Benefits	09.01.08. Transfer contractor responsibility for administration of the retiree benefits and pension fund program to contractor designated by LM. (Transition Matrix Action. STP Milestone)	EMCBC	01/01/09	
17.Worker Benefits	09.01.01 Announce the new post-closure benefits delivery program. (Transition Matrix Action)	DOE-LM	12/31/07	
17.Worker Benefits	09.01.02 Establish a Central Delivery System to administer post-closure benefits. (Transition Matrix Action)	DOE-LM	12/31/08	
N/A	Fluor Fernald Project Complete			
N/A	01.01.02.14 DOE-EM review and accept Rev 3A Final CE/T Plan (Transition Matrix Action)	DOE-EM	09/30/06	
N/A	10.01.05 DOE Accepts Project as Complete or Generates Punch List of Deficiencies (Transition Matrix Action)	EMCBC	01/12/07	
N/A	10.01.09 DOE Accepts Project as Complete (Transition Matrix Action)	DOE-EM	01/12/07	

N/A						
N/A	LM Life-Cycle Baseline					
N/A	01.08.03 LCB Update (Transition Matrix Action)	DOE-LM				2/24/2007
N/A	NRD					
N/A	02.05.05.01.03 Settle NRD suit (Transition Matrix Action, STP Milestone)	DOE-EM Ohio				12/1/2007
N/A	02.05.05.01.04 Implement NRD settlement terms and 02.05.05.01.02 ROD modification to implement terms of settlement (Transition Matrix Actions)	DOE-EM				TBD
N/A	Post-Closure Agreement					
N/A	02.05.05.02.03 Negotiate post-closure agreement (PCA) with regulators (Transition Matrix Action)	DOE-LM				09/30/07
N/A	02.05.05.02.04 Finalize PCA (Transition Matrix Action)	DOE-LM				12/31/07
N/A	02.05.05.02.05 Implement requirements specified in the PCA, as necessary (Transition Matrix Action)	DOE-LM				12/31/07
N/A	CD-4					
N/A	10.02.01 DOE Submits CD-4 Package to EM-1 (Transition Matrix Action, STP Milestone) & 10.02.01.01 Develop Outline of Format & Content (Transition Matrix Action)	DOE-EM Ohio				04/28/07
N/A	10.02.02 Assign ESAAB Action to EM-32 (Transition Matrix Action)	DOE-EM				TBD

N/A			10.02.03 Schedule Readiness Review (RR) (Transition Matrix Action)	DOE-EM		TBD	
N/A			10.02.04 Notify OECM to Schedule ESAAB (Transition Matrix Action)	DOE-EM		TBD	
N/A			10.02.05 OECM Schedules ESAAB (Transition Matrix Action)	OECM		TBD	
N/A			10.02.06 Distribute/Review Briefing and Supporting Materials with RR Members (Transition Matrix Action)	DOE-EM		TBD	
N/A			10.02.07 Field Manager Pre-Brief EM-1 prior to Readiness Review (Transition Matrix Action)	DOE-EM Ohio		TBD	
N/A			10.02.08 Readiness Review with ESAAB Staff (Transition Matrix Action)	DOE-EM Ohio		TBD	
N/A			10.02.09 Revise Briefing if Necessary (Transition Matrix Action)	DOE-EM Ohio		TBD	
N/A			10.02.10 Submit Final Briefing Package to EM- 22 (Transition Matrix Action)	DOE-EM Ohio		TBD	
N/A			10.02.11 Provide Briefing to OECM (Transition Matrix Action)	DOE-EM		TBD	
N/A			10.02.12 Distribute Briefing to ESAAB Members (Transition Matrix Action)	OECM		TBD	
N/A			10.02.13 Review Briefing/Prepare for ESAAB Meeting (Transition Matrix Action)	ESAAB		TBD	
N/A			10.02.14 OECM Pre Brief SAE (Transition Matrix Action)	OECM		TBD	
N/A			10.02.15 ESAAB Meeting (Transition Matrix Action)	S-2		TBD	
N/A			10.02.16 Prepare/Coordinate Decision Memo (Formal Transfer Memo) (Transition Matrix Action)	OECM		TBD	
N/A			10.02.17 Sign Decision Memo (Transition Matrix Action)	SAE		TBD	

N/A	10.02.18 Distribute Decision Memo (Transition Matrix Action)	OECM	TBD	
N/A	10.02.19 Prepare a formal memo proposing the transfer of programmatic responsibility and budget for LM concurrence (Transition Matrix Action)	OECM	09/30/07	
N/A	10.02.20 Complete Lessons Learned Document (Transition Matrix Action)	DOE-EM Ohio	09/30/07	
N/A	10.05 Submit Quarterly Project Closeout Reports to OMBE/CFO (Transition Matrix Action)	EMCBC	TBD	

**Appendix 3: Fernald site transition “Lessons Learned”
presentation by the EM Federal Project Director at the U.S.
Department of Energy *Waste Management 2007* (WM07)
Conference on February 26, 2007**

Ohio Field Office Operational Experience

- Fernald Closure Project
- Miamiisburg Closure Project
- Ashtabula Closure Project
- Columbus Closure Project



OHHIO
FIELD
OFFICE

Johnny Reising,

Fernald Closure Project Director
Waste Management 2007
Session 5B

February 26, 2007



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Ohio Field Office Site Locations

Site locations:

- Fernald
- Miamisburg
- Ashtabula
- Columbus



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Fernald Closure Project

Scope: Remediate 1,050 acre former uranium foundry.

Life Cycle Cost: \$4.4 Billion

Key Dates:

Start of project: December 1992

Major milestones:

Waste pits completed – June 2005

Silos operations completed – February 2006

D&D completed – September 2006

OSDF completed – September 2006

Soils completed – October 2006

End of project: October 2006

Performance:

Schedule: Completed two months early

Cost: CPI = 1.03

Safety: Excellent record; no fatalities or crippling injuries

OSHA recordable rate: 0.73

First aid cases: 19 (CY06)



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Miamisburg Closure Project

Scope: Soils remediation, waste disposal, facility deactivation and decommissioning and the transfer of 306 acres to Miamisburg Mound Community Improvement Corporation (MMCIC).

Life Cycle Cost: \$997.9 Million

Key Dates:

Start of project: January 1997

Major milestones:

Contract award – January 2003

Physical completion – July 2006

End of project: February 2007 (CD-4/regulatory completion)

Performance:

Schedule: Completed four months beyond target (performing double the soil volume) but two months ahead of congressional mandate

Cost: CPI = 1.02

Safety: OSHA recordable rate: 1.49

First aid cases: 6 (CY06)



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Ashtabula Closure Project

Scope: Final soil, facility and groundwater remediation of a privately owned former uranium extrusion plant site encompassing ~42 acres. Return possession to owner when complete.

Life Cycle Cost: \$147.1 Million (Final phase of remediation ~\$36M)

Key Dates:

Start of project: September 2005 (CPIF contract award)

Major milestones:

Mobilization completion & procedures approval – December 2005

Physical Completion – November 2006

End of project: January 2007 (CD-4/regulatory completion)

Performance:

Cost: CPI = 0.98

Safety: OSHA recordable: 1.0 (Project life)

First aid cases: 26 (Project life)



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Columbus Closure Project

Scope: Safely remove DOE radioactive materials and contamination from the Battelle West Jefferson site to levels that will allow future use of the site without radiological restrictions.

Life Cycle Cost: \$163 Million

Key Dates:

Start of project: November 2003

Major milestones:

Field work completion – February 2006

Contractor declared physical completion – June 2006

End of project: December 2006 (CD-4/regulatory completion)

Performance:

Schedule: Completed field work three months later than target, removed three times the low level waste debris and soil

Cost: CPI = 0.93

Safety: OSHA recordable: 0.0 (Project life)

First aid cases: 8 (Project life)



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Safety

Background

- Many facilities/systems shutdown or abandoned for several years
- Many of our facilities are 50+ years old
- Some data/drawings not updated (waste disposal systems, underground piping, utilities, etc).

Industrial Safety Lessons Learned

- Anticipate hazards associated with changing site conditions
- Emphasize quick practical solutions with worker buy-in
- Do not let accelerated schedule cause workers to take shortcuts

Radiological/Nuclear Safety Lessons Learned

- Emphasize constant adherence to radiation protection and contamination control processes
- Use a graded approach, match the controls to the hazards

The Smartest Things We Did

- Measured and reported on safety issues at the first aid and near miss level
- Kept workforce engaged in understanding overall work scope hazards
- Rotated Facility Representatives on a weekly basis between sites

Things We Would Do Better

- Anticipate hazards associated with “everyday” industrial hazards
- Get worker ‘buy-in’ on project mission



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Acquisition Strategy

Background

- Extensive use of CPIF contracting mechanisms
- Encourage FFP contractors to bid
- Shift the technical risk (the how) to the contractor

Transition Lessons Learned

- Dormant sites require more readiness and maintenance requirements
- Do not underestimate time needed for baseline and procedural preparation

The Smartest Things We Did

- Selected contractors with previous site knowledge
- Used CERCLA standards as part of RFP SOW

Things We Would Do Better

- Estimating Low Level Waste soil volumes
- Establish cap's for LLW soil and debris



Contract Management

Background

- CPIF closure contracts with 70/30 share ratio
- Utilize EM wide IDIQ contracts

Contract Compliance Lessons Learned

- "Manage the contract, not the contractor" is rule of thumb
- Don't underestimate need to thoroughly understand how performance is being determined and reported
- Use alternative performance indicators such regulatory document close out to track performance

Contractor Fee Lessons Learned

- Respond to and negotiate REAs ASAP to maintain overall fairness for process

The Smartest Things We Did

- Shifted from CPAF to CPIF contracts

Things We Would Do Better

- More frequent updating of project risks
- Understand potential weakness of small business contractors (examples; business management, project controls management)



Regulatory Compliance

Background

- State and Federal differences in interpretation of regulatory standards
- Use of ORISE as the independent verification contractor provided high level of confidence that work was performed appropriately

State Regulatory Lessons Learned

- Cooperative and involved regulators are essential for overall success
- Weekly communications developed strong teaming relationship

Federal Regulatory Lessons Learned

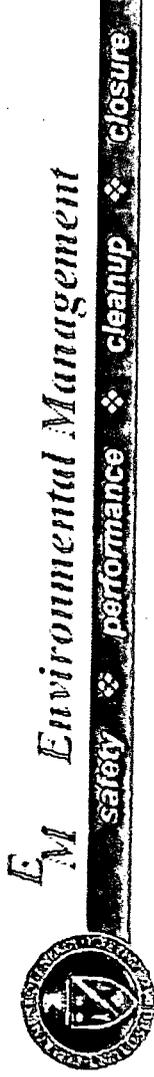
- Push US EPA to assume their lead role
- Encourage US EPA to have a more physical presents

The Smartest Things We Did

- Identified end state expectations and requirements early in the project
- Obtained ROD's early and used ROD scope in the contract SOW development
 - make part of contract

Things We Would Do Better

- Process regulatory document close out in parallel with completion of physical work



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Technology

Background

- Contractor planned to utilize selective excavation to remediate Waste Management Unit and other site soils
- Technology was an enhancement not a requirement
- Obtained additional funding for "technology" related scope – resolved Silo 3 and Silo 1 & 2 projects definition

Project Specific Lessons Learned

- Selective excavation has its advantages (potential cost savings) and disadvantages (extended schedule)

The Smartest Things We Did

- Utilized water fogger system to improve dust suppression during D&D
- Convince regulatory and stakeholders to construct onsite disposal facility at Fernald
- Spent time up front building a strong working relationship with the corridor state transportation and emergency response personnel

Things We Would Do Better

- Make sure potential volume of waste streams is more accurately assessed as it's generated



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Engineering Design and Construction

Background

- Minimal design requirements for Ohio sites
- Greatest challenge was the design, construction and D&D of Silo 1 & 2 and remediation facilities in support of site closure

Construction Lessons Learned

- Implement "Cold & Dark" approach early in project to reduce safety risks and operating cost

The Smartest Things We Did

- Used 12 foot trenches around buildings to ensure isolation of utilities

Things We Would Do Better

- Spread out critical work activities from a time and sequence standpoint to prevent multiple critical paths from developing late in a project



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Funding and Resources

Background

- Under CIPF the funding profile is included in contract
- Annual appropriation was requested in accordance with the contract

Funding and Resources Lessons Learned

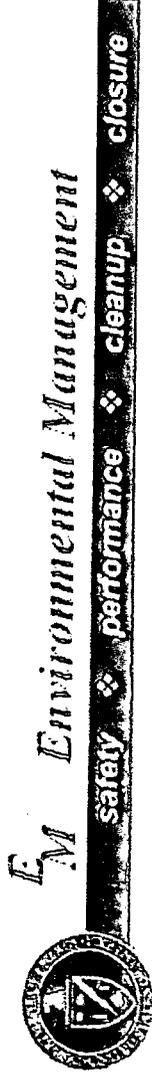
- Used regulatory milestones to support annual funding requests
- REA approval process does not allow efficient baseline change control

The Smartest Things We Did

- Developed 10 year plan, sold concept and obtained HQ buy in and received level funding leading to project success

Things We Would Do Better

- Small business contractors did not have adequate resources to develop and process contract changes
- Premature reallocation of funds based upon early project performance indicators



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Communications

Background

- The on-site presence of the CO significantly improved communications and facilitated resolution of problems
- Created a single organization to represent the various interest groups

Workplace Lessons Learned

- Be direct, open and honest about objectives, challenges, constraints and progress

Stakeholders and Media Lessons Learned

- Don't underestimate value in site walk-throughs; don't rely solely on teleconferences to communicate progress, issues and concerns
- Bring public in ASAP; be open and educate them to obtain early 'buy-in'
- Develop trust between Public/EPA's/DOE.

The Smartest Things We Did

- Established a productive working relationship between the site owner and regulators
- "Get it in writing" when significant decisions were established

Things We Would Do Better

- Establish more formal process to generate and maintain stakeholder meeting minutes
- Complete site clean up (DOE responsibility) before transition to a private entity



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Fernald Closure Project



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Miamisburg Closure Project

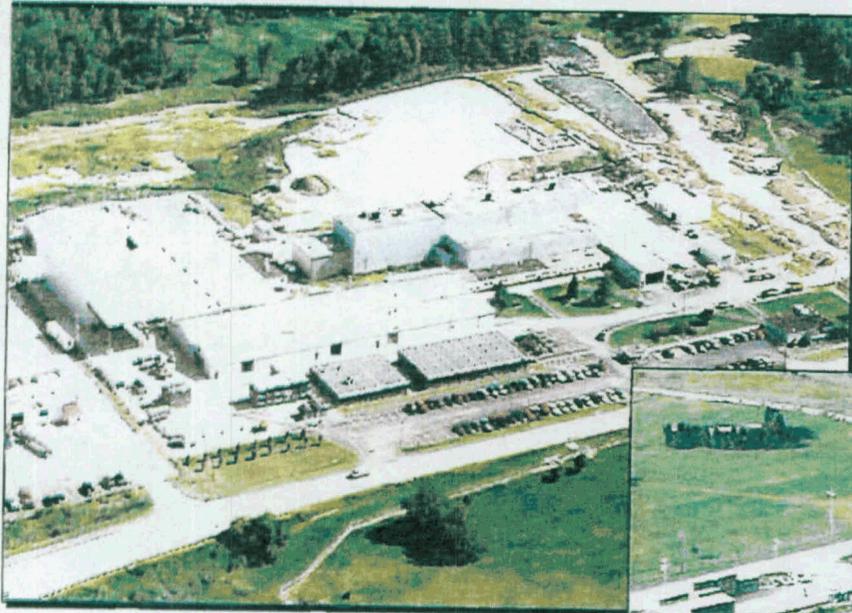


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Ashtabula Closure Project



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Columbus Closure Project



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Tab 10:

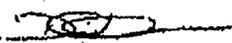
12/2/05 memo to DOE Chief Financial Officer, from S-3, LM-1 and EM-1, requesting transfer of budget authority for FY07-11 from EM to LM for the Fernald Closure Project

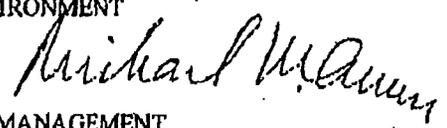


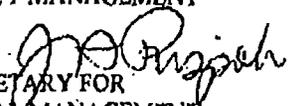
Department of Energy
Washington, DC 20585
December 2, 2005

ES2005-012483

MEMORANDUM FOR SUSAN J. GRANT
CHIEF FINANCIAL OFFICER

FROM: DAVID K. GARMAN 
UNDER SECRETARY FOR ENERGY,
SCIENCE AND ENVIRONMENT

MICHAEL W. OWEN 
DIRECTOR
OFFICE OF LEGACY MANAGEMENT

JAMES A. RISPOLI 
ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

SUBJECT: Transfers and Realignment of Work Scope from the Office of
Environmental Management to the Office of Legacy Management

The Office of Environmental Management (EM) and the Office of Legacy Management (LM) propose to transfer a number of activities from EM to LM beginning in fiscal year (FY) 2007. These transfers include activities at the following sites in Ohio: the Columbus and Fernald Closure Projects. The transfer includes associated FY 2007 target funding from EM to LM; no full-time equivalent positions will be included in these transfers.

Rationale for Transfers

EM has completed the major cleanup at these sites. For most of the sites no work remains other than that associated with long-term surveillance and maintenance. Where remedies are not complete, the scope is understood and within the capabilities of LM to manage.

Scope of Transfers

The primary goal of these transfers is the efficient completion and closeout of EM site activities and subsequent transfer of all long-term responsibilities from EM to LM. Since each site's transfer may have certain unique characteristics, below are the activity areas transferred for each site:

- Columbus: Records only; site returned to private ownership
- Fernald: LTS&M, worker pensions and benefits, records

The details of the proposed functional transfers are provided in Attachments 1 and 2. Attachment 1 provides the associated FY 2005 and FY 2006 comparability adjustments and the FY 2007-2011 budget target and staffing adjustments. Attachment 2 provides the funding targets

and scope descriptions for the specific projects (i.e., Project Baseline Summaries) that will transfer.

Post-Closure Scope

Responsibilities for EM and LM are governed primarily by the Terms and Conditions for Site Transition document executed by EM and LM on February 15, 2005 and the Site Transition plans signed by EM-1 and LM-1. In addition, see Attachment 2 for details on the post-closure scope for the current transfers.

Request for Approval of Transfers

In accordance with 42 U.S.C. 7253 and 50 U.S.C. 2481(b), we are seeking approval from the Secretary to effect this realignment between organizations, and we request that the Office of the Chief Financial Officer (CFO) obtain that approval on our behalf.

The target adjustment has been coordinated with the Office of Management and Budget. We would appreciate assistance from the CFO staff in expediting implementation of the agreed transfers into the FY 2007 President's Budget. We request that the Department effect funding target transfers for FY 2007-2011 from EM to LM in a Program Budget Decision document as part of the FY 2007 budget process.

EM and LM recognize that there is risk associated with uncertainties in the outyear costs for contractor pension plans and benefits. For this reason, EM and LM support the CFO recommendation to pursue "dual authorization" for these activities.

2 Attachments

cc:

Dr. Inés Triay, Chief Operating Officer, EM-3
Mark A. Gilbertson, Deputy Assistant Secretary for Environmental Cleanup and Acceleration, EM-20
Mark W. Frei, Deputy Assistant Secretary for Business Operations, EM-30
James Fiore, Acting Deputy Assistant Secretary, Office of Performance Intelligence & Improvement, EM-40
Dr. Robert Goldsmith, Director, Office of Core Technical Group, EM-23
Barbara J. Heffernan, Director, Office of Budget, EM-31
David W. Geiser, Deputy Director, Office of Legacy Management, LM-2
Robert Warther, Manager, Ohio Field Office, OH

Attachment I

This attachment displays the budget target adjustments required by the proposed FY 2007 realignment, and provides the associated FY 2005 and FY 2006 comparability adjustments. There are no staff adjustments.

Table 1: Comparability Adjustments.

	(dollars in thousands)	
	FY 2005	FY 2006
Recipient of Target Adjustments		
Legacy Management		
Other Defense Activities	\$141,226	\$226,415
Total, LM	\$141,226	\$226,415
Source of Target Adjustments		
Defense Site Acceleration Completion		
2006 Accelerated Completions	-\$132,601	-\$216,998
2012 Accelerated Completions	-0	-0
Defense Environmental Services		
Non-Closure Environmental Activities	-\$8,625	-\$9,417
Program Direction	-0	-0
Total, EM	-\$141,226	-\$226,415

Table 2: Budget Target Adjustments.

	(dollars in thousands)				
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Legacy Management					
Change in Other Defense Activities					
Total, LM	\$27,306	\$24,995	\$25,250	\$25,922	\$27,356

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Defense Site Acceleration Completion					
Change in 2006 Accelerated Completions	-\$11,054	-\$11,265	-\$11,950	-\$12,392	-\$13,826
Change in 2012 Accelerated Completions	-0	-0	-0	-0	-0
Change in 2035 Accelerated Completions	-0	-0	-0	-0	-0
Defense Environmental Services					
Change in Non-Closure Environmental Activities	-\$16,252	-\$13,730	-\$13,300	-\$13,530	-\$13,530
Change in Program Direction	-0	-0	-0	-0	-0
Total, EM	-\$27,306	-\$24,995	-\$25,250	-\$25,922	-\$27,356

Table 3: Staffing Target Adjustments.

	(FTEs)				
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Legacy Management					
Change in Target	+0	+0	+0	+0	+0
Office of Environmental Management					
Change in Target	-0	-0	-0	-0	-0

Attachment 2

(Budget authority in thousands of dollars)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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Defense Site Acceleration Completions

2006 Accelerated Completions

OM-FN-0030 / Soil and Water Remediation-Fernald.....	(132,601)	(216,988)	(11,054)	(11,265)	(11,950)	(12,392)	(13,826)
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The Soil and Water Remediation Project includes the characterization, remediation, and certification of all environmental media (soil, below-grade debris, and water). This scope of work includes excavation, hauling, and final disposition of all contaminated soils and below-grade debris that exceed the "final remedial levels" for cleanup at Fernald. The contaminated soils, below-grade debris, and debris generated from decontamination and dismantlement activities has been placed in the On-Site Disposal Facility for final disposal. Soil and debris that exceed the On-Site Disposal Facility waste acceptance criteria have been transferred for disposition off-site. In addition, natural resource restoration activities are performed to return the site to its natural state following remediation. This project also contains the scope to confine and extract uranium from the Great Miami Aquifer, a sole source aquifer under the Fernald site, as well as the scope for management of storm water, operations of sewage treatment facilities, and groundwater monitoring. The completion of the scope within this project represents a significant portion of the critical activities required to close the Fernald site. As of March 2005, Fernald excavated 1,792,010 cubic yards (162,367 cubic yards in FY 2005) of soil and placed 1,863,327 cubic yards (91,376 cubic yards in FY 2005) of soil and debris in the On-site Disposal Facility; certified 787 (27 in FY 2005) acres clean; and completed construction of the On-Site Disposal Facility Cell 3 Cap; as well as Cells 7 and 8 liners at Fernald.

Beginning in FY 2007 and upon EM acceptance of the contractor's physical completion declaration, the Office of Legacy Management will assume operational responsibility for the Fernald Closure Project. Legacy Management will assume responsibility for ongoing operation of the aquifer long-term response action and all other monitoring maintenance and surveillance at the Fernald Closure Project at the time of transfer. Therefore, Legacy Management will be responsible for regulatory completion of Operable Unit 5 (environmental media, including groundwater, surface water and soil not included in Operable Units 1-4) once the aquifer restoration has been completed. Educational outreach and maintenance of an on-site information facility are being employed as a form of community based institutional controls. Legacy Management will continue operations of the Condensed Advanced Waste Water Treatment Facility and monitoring and maintenance of the On Site Disposal Facility.

Attachment 2

(budget authority in thousands of dollars)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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Defense Environmental Services

Non-Closure Environmental Activities

Fernald Pensions and Benefits ... (8,625) (9,417) (0) (0) (0) (0) (0)

In FY 2005 and FY 2006 pensions and benefits funding was distributed across all PBS* and is unidentifiable at that level of detail. Beginning in FY 2007, pensions and benefits activities are identified in PBS OH-FN-0100.

Beginning in FY 2007, LM will be responsible for administering worker pensions and benefits.

OH-FN-0100 / Fernald Post Closure Administration (0) (0) (16,252) (13,730) (13,300) (13,530) (13,530)

The scope of this PBS is to provide support for site litigation and for post-closure contract liabilities. Site litigation support provides for legal expenses relating to the continuing class actions and other civil litigation activities of former site management and operating and existing site contractors under the litigation and claims clause of those contracts. This support does not include closure contract litigation support incurred by the current site closure contractor. Post closure contract liabilities support provides for projected pension, retiree medical and life insurance, and workmen's compensation requirements subsequent to site closure. The full scope and extent of these activities will be more fully identified as closure becomes imminent. The current scope of these activities is defined under Federal Accounting Standard 87 (Employers' Accounting for Pension), Federal Accounting Standard 106 (Employers' Accounting for Post-Retirement Benefits Other Than Pension), and estimated workmen's compensation. EM's existing closure contracts will be used as the mechanism to administer and pay pensions and post retirement benefits until such time that a new contract vehicle can be put in place by LM. The projected end date for this activity is 2070.

Beginning in FY 2007, LM will be responsible for all post-closure administration activities as described above.