



Department of Energy

Washington, DC 20585

May 10, 1999

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, NW
Suite 700
Washington, D.C. 20004-2901

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DNF SAFETY BOARD

Dear Mr. Chairman:

Construction at the Savannah River Site (SRS) of the Actinide Packaging and Storage Facility (APSF) is identified as a commitment to the Defense Nuclear Facilities Safety Board in the Department's Recommendation 94-1 Implementation Plan. I wish to inform you that the Department is planning to submit to Congress a fiscal year (FY) 1999 reprogramming request that will decrease the funding for the APSF by \$44 million. This action is identified on page 179 of Volume 5 of the Department's FY 2000 Congressional Budget Request for Environmental Management, which was submitted to Congress last February. As stated on pages 178 and 180 of the budget request, we plan to use that money to increase the available FY 1999 funding for the H-Area Stabilization Project and the Canyon Exhaust Line Item Project. This will allow HB-Line Phase II startup activities to proceed on a schedule consistent with our 94-1 commitments to you, and will also enable acceleration of safety upgrades to the exhaust equipment in the F- and H-Canyons to avoid a potential shutdown of those critical facilities due to continued deterioration of the existing equipment.

By letter dated March 26, 1999, Mr. David Huizenga informed you that we have concluded it is prudent to halt further progress on the APSF. This will allow time to conduct a systems engineering evaluation of plutonium material management functions and planned new storage facilities at SRS to determine if changes to the APSF design are warranted. This re-evaluation has become prudent given the significant estimated construction cost increases of the APSF subproject, coupled with the recent Departmental decision to name the SRS as the preferred location for the plutonium Pit Disassembly and Conversion Facility. We plan to provide you the results of this effort by the end of June 1999, as Mr. Huizenga stated to you in his letter.

If you have any questions, please contact me or Mr. Huizenga, or have your staff contact Mr. Barry Smith at (301) 903-4948.

Sincerely,

A handwritten signature in cursive script that reads "James M. Owendoff".

James M. Owendoff
Acting Assistant Secretary for
Environmental Management

