

**LETTER OF INTENT AMONG  
THE DEPARTMENT OF ENERGY, THE STATE OF TENNESSEE, AND  
THE ENVIRONMENTAL PROTECTION AGENCY**

**PURPOSE**

This letter of intent commits the state of Tennessee, the U.S. Environmental Protection Agency and the U.S. Department of Energy to accelerate cleanup at the Oak Ridge Reservation. Additionally, this letter of intent documents how the results of DOE's top-to-bottom review and other initiatives will be used to:

- Devise and implement a more efficient decision process,
- Develop integrated planning and funding requests, and
- Meet commitments under the Oak Ridge Federal Facility Agreement.

This letter evidences a transformation in the Oak Ridge cleanup effort, with the goal of completing cleanup in 2016 rather than 2021, with cleanup of specific high-risk activities by 2008. It establishes a bias for action and continuous improvement. It also recognizes and describes post-completion activities and commitments.

The parties intend to develop an integrated agreement in June 2002 that addresses all major issues at Oak Ridge under CERCLA and the FFA, including coordination of corrective actions under RCRA. It is not intended to contravene any requirement of any state or federal law.

**BACKGROUND**

- The recently completed top-to-bottom review at Oak Ridge identified a range of environmental management challenges, noted many areas needing improvements, and issued several calls to action to accelerate cleanup at EM sites.
- The Bush administration is prepared to increase site-specific budget requests to sites that accelerate cleanup. The administration expects that these near-term increases will decrease the needed level of future appropriations and more importantly substantially decrease the overall costs of cleanup to taxpayers.
- DOE, EPA, and Tennessee have been aggressively pursuing opportunities to accelerate the cleanup at the ORR and to make improvements. Yet poor communications and funding restraints have hindered these efforts. A fundamental shift in our shared approach to this effort is necessary to meet our shared goals.
- All three parties are focused on continuous improvement, seek better ways to complete cleanup, and have created a new framework to solve problems.

**UNDERSTANDING**

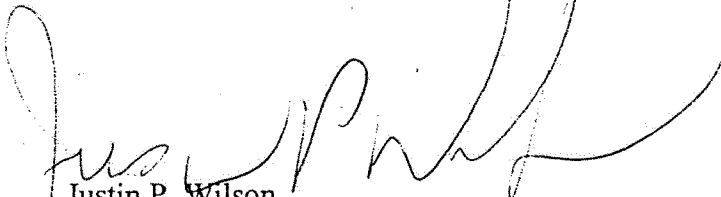
The following statements document the commitments and progress that have been made to date:

1. All parties want to fundamentally transform the project and accelerate risk reduction and cleanup at ORR to complete high-risk projects by 2006/2008 rather than the previously established 2014/2016 timeframe. This accelerated cleanup will be accomplished in a manner that is safe, protects human health and the environment, and complies with applicable Tennessee and federal laws.
2. DOE and its contractors bear the greatest responsibility to accelerate cleanup. DOE and its contractors agree to take all necessary steps to accelerate risk reduction and to apply as large a percentage as possible of the Oak Ridge site budget to accelerated cleanup.
3. All parties agree that we will be better equipped to accelerate cleanup and meet our commitments if we implement best management practices and have sufficient, stable, and predictable funding, good regulatory relationships, and broad support.
4. All parties agree to consider "risk reduction" when setting priorities and establishing cleanup strategies, recognizing Tennessee's preference for cleanup and other factors that need to be considered, including balancing risk to workers, the public, and the environment.
5. The specific initiatives to be included in the June 2002 agreement will at a minimum achieve the following results by 2008:
  - Completion of the activities in the Melton Valley Interim Record of Decision
  - Closure of East Tennessee Technology Park, including,
    - Completion of all remedial actions
    - Completion of decontamination and decommissioning
    - Relocation of depleted uranium hexafluoride cylinders
    - Disposition of waste
  - Completion of Other Priority High Risk Projects
    - Continue bioremediation of the Y-12 East End Volatile Organic Compound Plume
    - Construct and operate the 9201 water treatment system to reduce Y-12 mercury releases
    - Engineering study for Bethel Valley groundwater
    - Removal of spent nuclear fuel from Oak Ridge National Laboratory
    - Disposition of all legacy waste by 2004
6. The parties continue to value the importance of enforceable commitments to sustain progress. Modifications to the FFA will be made in the process established for them in the FFA as needed to enable more detailed plans and action assignments.
7. The use of onsite and offsite disposal facilities will be examined to maximize cleanup and minimize long-term stewardship requirements at Oak Ridge.
8. The June 2002 agreement will include further specific plans to accelerate cleanup and develop a comprehensive site-wide waste disposition strategy.
9. DOE will develop an internal letter of intent that focuses EM on accelerated cleanup as well as an internal letter between DOE and its prime contractors that focuses the

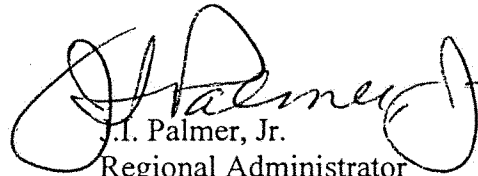
contractors' efforts on accelerated cleanup. Both of these documents will be completed by July 1, 2002.

10. This letter, together with achievement of the above items, will allow the federal government to meet more rapidly its obligations to the people of Tennessee and the United States and will meet the accelerated cleanup agreement objectives called for by President Bush in his fiscal year 2003 budget request.
11. DOE will conduct routine meetings with all parties to assess the status and ensure ongoing support for accelerated cleanup at Oak Ridge. Summary evaluations will be provided to the under secretary or deputy secretary.
12. The principals will continue to meet regularly to ensure progress, solve problems, and identify new initiatives.
13. Nothing in this letter modifies any of the rights, authorities, or obligations currently stated in the FFA, except as it may be subsequently changed by mutual agreement.

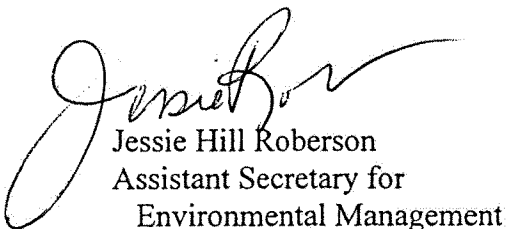
We the undersigned are committed to work together to implement these work plan agreements and to seek additional opportunities to accelerate and improve cleanup.




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