

PURPOSE

This letter of intent documents a commitment by the State of Ohio, Ohio Environmental Protection Agency, the U. S. Environmental Protection Agency; and the U. S. Department of Energy (DOE) to accelerate the Mound Facility cleanup.

Additionally, this letter of intent documents how results of the Top-to-Bottom Review, Reengineering Activities and other improvements will be used to:

- ✓ Accelerate cleanup and property transfer,
- ✓ Reduce risk and project schedule uncertainty,
- ✓ Develop integrated planning and funding requests, and
- ✓ Meet commitments under the Mound Federal Facility Agreement (Tri-Party Agreement).

This represents a renewed focus in the Mound Site cleanup, with the objective of accelerating completion and increasing the confidence level in a 2006 or sooner clean-up date. In addition, it establishes a commitment to community reuse. It establishes a bias for action and continuous improvement throughout cleanup.

BACKGROUND

- The Top to Bottom Review (the Review) identified a range of Environmental Management (EM) challenges, noted many areas needing improvement, and issued several calls to action to accelerate cleanup at EM sites.
- The Administration is prepared to increase site-specific budget requests as sites demonstrate a willingness to accelerate the approach to cleanup with the expectation that the accelerations achieved by such near-term increases will lead to significant decreases in later years and substantially less costs to taxpayers overall.
- The constructive working relationships among the regulators and the Department have already resulted in changes in priorities, strategies, work practices and commitments, and have created a framework for dealing with other issues.
- In addition, DOE is actively engaged in fundamentally transforming how it conducts its business through contract reprocurement at the Mound.
- The Federal Facility Agreement was originally envisioned and has evolved as a living document, adaptable to improvement as experience and new information are obtained.
- Several specific initiatives being implemented focus on accelerated cleanup and demonstrate a transformational change to the way business is being conducted:
 - ✓ Focus on the Activities that Contribute Directly to Closure
 - ✓ Lower overhead costs to allow for more direct cleanup
 - ✓ Energize the Workforce Through Strong Effective Leadership
 - ✓ Provide Open Regular Communication Among All Parties Involved
 - ✓ Foster a Team Environment Based on Mutual Respect and Trust with Clear Roles and Responsibilities

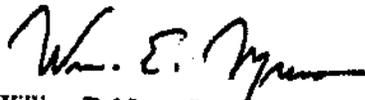
UNDERSTANDINGS

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

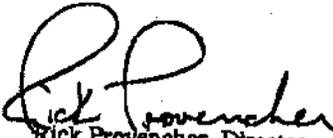
1. All parties share a desire to fundamentally transform the project and a vision to accelerate risk reduction and cleanup of the Mound Site prior to December 2006, possibly as soon as 2005. Additionally, accelerated cleanup will be accomplished in a manner that is safe, protective of human health and the environment, and compliant with all applicable State and Federal environmental laws and standards.
2. DOE and its contractors bear the greatest responsibility to transform their business practices 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 Mound Site's budget to accelerated cleanup as a continuing and ongoing process.
3. All parties will be accountable for meeting their commitments. To this end, the parties agree that accelerated cleanup and meeting our commitments are made more attainable with sufficient, stable, and predictable funding; good regulatory relationships; broad stakeholder support; and incorporating sound risk management practices.
4. All parties agree to consider *greatest risk first* at the Mound Site as a significant principle in setting priorities and cleanup strategies, recognizing there are other factors that need to be considered including balancing risk to workers, the public, and the environment. In this regard, all parties agree to aggressively evaluate and implement, where appropriate, the targets of opportunity for accelerated risk reduction as well as actions identified which will expedite transition.
5. The Mound Site is in the process of planning for accelerated cleanup that meets the criteria for potential access to the Cleanup Reform Appropriation.
6. The parties continue to value the importance of enforceable commitments to sustain progress and agree that as improvements are further demonstrated, that further changes to enforceable agreements will be proposed under its existing change control processes.
7. The parties agree that more detailed plans and action assignments will be needed to implement accelerated cleanup. As a first step to guide those efforts, DOE will compete the Mound contract. The contract will include a set of specific goals for physical progress by 2005 that will represent a major acceleration from current plans.
8. The Regulators will be consulted on development of the accelerated baseline schedule, assumptions and documentation as developed by DOE and contractor.
9. DOE further commits to continue long-term stewardship efforts with the Regulators and all stakeholders, to achieve successful closure of the Mound site. All parties agree that an effective DOE funded long-term stewardship program is a necessary component of a successful site closure. Additionally the parties agree such a program must be established and fully implemented prior to site closure. Initial details of this program are included in DOE's documents: draft Comprehensive Stewardship Plan and the Master Plan for Public Use.
10. DOE considers this *letter of intent*, together with achievement of the items delineated above, to meet the objectives called for in the President's fiscal year 2003 budget request for sites to reach new agreements with State and Federal regulators to help accelerate and improve cleanup performance.
11. DOE will conduct routine meetings, to assess the status and ensure progress of DOE support to accelerated cleanup at the Mound Site. Summary evaluations will be provided to the Assistant Secretary.
12. The principals will continue to meet twice a year to provide the leadership needed to ensure progress, solve problems, and promote new initiatives, including long term stewardship.
13. Nothing in this letter of intent modifies any of the rights, authorities, or obligations currently stated in or incorporated by reference into, the Federal Facilities Agreement or any other enforceable agreement. Further, at this time the Parties do not anticipate modifying the existing Federal Facilities Agreement in order to accelerate the Mound facility cleanup.

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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