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DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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January 7, 2005

Ms. Lisa Crawford, President
Fernald Residents for Environmental
Safety and Health
P.O. Box 129
Ross, Ohio 45061-0129

Dear Ms. Crawford:

Thank you for your letter of November 22, 2004, concerning the Silos project at the Fernald Closure Project site. Your letter asked questions regarding the readiness preparations and readiness reviews for the retrieval and treatment of the wastes in Silo 3 and for the Accelerated Waste Retrieval (AWR) project that is now retrieving wastes from Silos 1 and 2.

The Defense Nuclear Facilities Safety Board's (Board) staff and its outside expert reviewed the planning and execution of both sets of readiness reviews. The criteria specified in the Fluor Fernald (Fluor) startup review plans and the independent Readiness Assessment performed by the Department of Energy (DOE) for each startup provided for a thorough assessment of the facilities' readiness to operate safely. Observation of the reviews confirmed this conclusion. The readiness reviews were thorough and independent, and the review teams were effective in pursuing their issues with facility management.

As noted in your letter, the Fluor and DOE startup reviews identified a number of findings and lessons learned, including the need for more complete preparations by the facility before startup readiness reviews are initiated. The Board shares your concern. The Board has emphasized the need for DOE to ensure that the Fernald treatment facility for Silo 1 and 2 waste is fully prepared to operate before startup readiness reviews are initiated.

The DOE report for the AWR project Readiness Assessment noted that lessons learned implementation was less than adequate. This is also an issue that needs to be addressed, and the Board intends to observe the implementation of the lessons learned from the startup readiness reviews for the Silo 3 project and the AWR project during the startup readiness reviews for the treatment facility for the Silo 1 and 2 wastes.

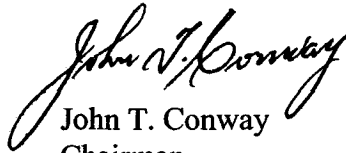
The Board has continued to monitor operational safety for the Silos project following the startup readiness reviews. The Silo 3 retrieval and packaging operations are on hold pending identification of a suitable off-site location for storage or disposal of the packaged wastes. However, the AWR project has commenced operations and is making substantial progress in

transferring the contents of Silos 1 and 2 into robust storage vessels. The safe operation of the AWR project supports the conclusion of the startup readiness review teams that the facility would be ready to operate safely following resolution of the findings of the readiness reviews.

The Board will continue to follow the efforts of Fluor and DOE on the remaining radiological work at Fernald, including the Silos project. In particular, the Board's staff will be on-site to observe the Fluor and DOE readiness reviews for the treatment facility for Silo 1 and 2 wastes. The Board will also pay particular attention to the suspended Silo 3 project to ensure that the extended delay following completion of the DOE and Fluor startup readiness reviews is not allowed to degrade the facility's eventual readiness to operate safely.

Please contact me if you would like additional information, or if I can be of further assistance.

Sincerely,



John T. Conway
Chairman