



ENERGY AND ENVIRONMENT CABINET

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Governor

Department for Environmental Protection
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Leonard K. Peters
Secretary

March 14, 2012

Mr. Reinhard Knerr
US Department of Energy
Portsmouth/Paducah Project Site Office
PO Box 1410
Paducah, Kentucky 42002

RE: Paducah Federal Facility Agreement Integrated Priority List and Assessment of Budget Targets on Site Priorities
Paducah Gaseous Diffusion Plant
Paducah, McCracken County, Kentucky
KY8-890-008-982

Mr. Knerr:

The Division of Waste Management (Division) is in receipt of the Paducah Portsmouth Project Office (PPPO) draft Integrated Priority List and assessment of budget targets letter dated February 15, 2012. This letter serves to document DOE's Fiscal Year (FY) 2014 budget projections and priorities.

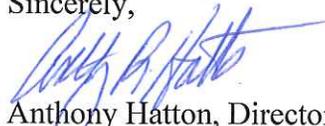
The Division is concerned that, given current site budget projections, DOE anticipates being unable to complete FY +2 work currently milestone (enforceable) in the FY 2012 Site Management Plan for the burial grounds, soils, dissolved phase plumes, and surface water operable units, as well as for a portion of the CERCLA Waste Dispositions Options project. Considerable effort has already been expended by all three Federal Facility Agreement (FFA) parties to develop the agreements and CERCLA project-related documentation supporting remedial actions that will eventually be selected for each of these operable units. Project delays resulting from decreased funding will only serve to slow completion of agreed-upon project scope, thereby increasing future project costs. In addition, any delays that occur in FY 2014 will likely result in DOE being unable to meet out-year enforceable milestones tied to operable unit project completion. It is understood that the PPPO intends, as required per Section XVIII.D of the FFA, to seek over-target funding that, if allocated, would permit on-time completion of the aforementioned enforceable project milestone dates.

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The Division concurs with DOE's project related priorities as listed in the February 15, 2012 letter. Specifically, DOE should continue to complete field work already initiated for the C-400 Interim Remedial Action and should also continue to focus on remediating known sources to the Southwest Plume. Work pertaining to the CERCLA Waste Disposition Options project is also critical due to the implications that this project holds for subsequent burial grounds and soils related work.

If you have any questions or require additional information, please contact Todd Mullins at (502) 564-6716, ext. 4690 or e-mail at todd.mullins@ky.gov.

Sincerely,



Anthony Hatton, Director
Division of Waste Management

AJW:lww:tm

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DWM File: #570; Graybar: ARM20050016