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**United States Senate**  
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April 8, 2008

The Honorable Samuel W. Bodman  
Secretary  
U.S. Department of Energy  
1000 Independence Ave. SW  
Washington, DC 20585

Dear Mr. Secretary,

I am writing to express my continuing concern that flawed procurement practices at the Hanford high-level waste treatment plant (WTP) are compromising the cost, schedule, and, ultimately, the safety of the project. I am requesting a full explanation of the continuing failure of the contractor – Bechtel National, Inc. (BNI) – to ensure that process vessels and piping procured for installation in the so-called “black cells” within the plant meet safety and quality requirements, despite knowing of flaws in their procurement process for these components since 2004. These are sections of the plant where high-level nuclear waste will be routed, but which under the design philosophy being followed will never be accessible for future maintenance or inspection. According to recent reports by the Defense Nuclear Facility Safety Board staff, as many as 1000 pipe sections procured by BNI for installation in the WTP “black cells” were not subjected to the required 100% quality inspections.

While the Board staff confirms that BNI and the Department are working to address this matter, that this sort of problem continues to occur at the WTP project is extremely troubling given the long history of quality-related procurement issues at the project, including a similar failure, dating back to 2004, where BNI failed to ensure that that approximately 70 “black cell” processing vessels were fully inspected. In fact, the Department’s Office of Price Anderson Enforcement has found that BNI has a pattern of improperly handling the procurement of critical components and systems, extending well beyond the “black cell” components. In both March 2006 (see EA 2006-03) and in October 2007 (see EA 2007-05), the Office identified and proposed fines related to multiple instances where BNI did not properly procure critical equipment, some dating back to 2001, and including the plant’s computerized control system.

As you may recall, in April 2006, I also wrote to the Director of the Department’s Office of Price-Anderson Enforcement asking for an investigation into allegations raised by a BNI employee whistleblower at the Hanford site concerning safety problems with the computerized control system being procured for the WTP. Central to those concerns was the fact that BNI’s procurement system did not ensure that the control system met the nuclear safety quality requirements essential for such a system. Rather, BNI procured this system as a “commercial-grade” product effectively bypassing nuclear quality specifications and nuclear quality assurance/quality control requirements.

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The central issue in these allegations -- that procurement of this critical system had been improperly treated as commercial procurement -- has largely been validated by both the Office of Price-Anderson Enforcement (see EA-2007-05) and by the Office of Inspector General (IG) (see DOE/IG-0764, "Audit Report -- Quality Assurance Standards for the Integrated Control Network at the Hanford Site's Waste Treatment Plant").

Total project cost for the WTP has already more than doubled from \$5.87 billion to \$12.63 billion. The scheduled completion of the project has already slipped from July 2011 to November 2019. Continuing procurement issues at WTP raise additional questions about the ability of BNI and the Department to meet these new targets and the safety of the plant. They also raise serious questions about the effectiveness of the Department's oversight of BNI's construction management and procurement practices.

I am therefore requesting an explanation of the causes of the most recent "black cell" procurement problems and what measures BNI and the Department will put in place to ensure that "black cell" components meet the necessary performance, inspection, and quality control requirements to ensure their long-term performance and safety. I would also like a report on the outcome of the reviews of the computerized control system you stated would be done in your letter of June 12, 2007. Finally, I would like an explanation of what additional actions the Department is going to take to address the larger issue of the continuing pattern of inadequate construction management and procurement problems for critical WTP systems and components, including allocation of costs to remedy these problems and their impact on BNI award fees. Please provide your response no later than April 30, 2008.

Sincerely,



Ron Wyden  
United States Senator

Cc: Bud Albright,  
Under Secretary of Energy  
A.J. Eggenberger,  
Chair, DNFSB  
Ken Fortenberry,  
Technical Director, DNFSB