



Department of Energy
National Nuclear Security Administration
Washington, DC 20585



MAR 20 2005

The Honorable A.J. Eggenberger
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Ave, N.S., Suite 700
Washington, D.C. 20004-2901

Dear Mr. Chairman:

In a letter dated March 31, 2003, the Defense Nuclear Facilities Safety Board requested that the Board members be informed of any delays in the schedule of several projects at the Los Alamos National Laboratory, including the Partial Site-Wide Fire Alarm Replacement and the Waste Management Risk Mitigation Projects. Both projects were funded by Congress in Fiscal Year 2001 to mitigate the impact of the Cerro Grande Fire and potential future damage from similar natural disasters.

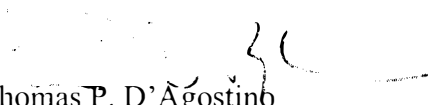
Since the first status was reported to the Defense Nuclear Facilities Safety Board in February 2004, both projects have made substantial progress. With the exception of three facilities, work on all other buildings included in the Partial Site-Wide Fire Alarm Replacement Project scope has been completed. Replacement of fire alarm panels in the Plutonium Facility and the Chemistry and Metallurgy Research Facility has resulted in positive Unreviewed Safety Question Determinations (USQD). The USQD package for the Plutonium Facility is under review by the Los Alamos Site Office. The USQD package for the Chemistry and Metallurgy Research Facility is being prepared by the Los Alamos National Laboratory and is expected to be submitted for federal review by the end of March 2006. As a result, the substantial completion date for this project is now projected to be June 30, 2006.

Work on the Waste Management Risk Mitigation Project is approximately 60 percent complete. All six fiberglass tanks have been installed in the newly constructed underground concrete basin. Last September, Los Alamos Site Office cancelled the contract of the general contractor responsible for this project due to poor performance and the contractor's inability to provide a viable corrective action to complete the project. At the time the contract was cancelled, the project was more than 14 months behind its baseline schedule. The Los Alamos National Laboratory has taken over the general contractor's responsibilities and most of the subcontractors of the previous general contractor have stayed on the job and continue to perform work. However, some construction activities were recently stopped to evaluate construction quality control discovered during an independent project review. The identified quality control issues have been resolved and we expect to restart work before the end of March 2006.

We are in the process of requesting reprogramming of funds from Congress to complete the project and request the Deputy Secretary of Energy to approve extending the project completion date by approximately 14 months. If approved, the project completion date will be extended to the 1st Quarter of Fiscal Year 2008.

We will keep you and your staff informed of any changes in the above plan and approach to complete the two projects.

Sincerely,



Thomas P. D'Agostino
Deputy Administrator
for Defense Programs