



**Department of Energy**  
National Nuclear Security Administration  
Nevada Site Office  
P.O. Box 98518  
Las Vegas, NV 89193-8518

March 21, 2006

Kathleen Peterson, Chairperson  
Community Advisory Board  
for Nevada Test Site Programs  
2721 Losee Road, Suite D  
North Las Vegas, NV 89130

**FY 2006 NEVADA SITE OFFICE ENVIRONMENTAL MANAGEMENT BUDGET**

We have received and carefully reviewed your letter related to the proposed impacts to the FY 2006 budget for environmental management projects at the Nevada Site Office (NSO). As you so clearly stated in your letter, we cannot take our commitments to stakeholders lightly and are doing everything possible to ensure that we can move forward to meet agreed-upon project goals and milestones.

We have been exploring every alternative with our Department of Energy Headquarters counterparts and are pleased to report that the outlook is clearly better than we had originally anticipated. At this point in time, the NSO environmental management budget has been restored to within \$7M of the FY 2006 Appropriation of \$87M, which translates to a FY 2006 operating budget of approximately \$80M. Although this still presents a challenge, it is a substantial improvement over the anticipated \$16M reduction.

We are continuing to partner with the Nevada Division of Environmental Protection to address this reduction, while at the same time minimizing any impact to agreed-upon milestones within the Federal Facility Agreement and Consent Order. However, the reality is that ultimately some projects will be delayed. As an example, the closure date for the Transuranic/Mixed Transuranic Waste Project may extend beyond 2007. We also anticipate some delay in the cleanup activities for the Soils project. However, the bottom line is that we will do everything possible to gain efficiencies to ensure that any impacts will be minimal.

We highly regard the partnership we have developed over the years working with our stakeholders and will continue to explore every alternative to honor our commitments and maintain a timely, honest dialogue. Thank you once again for your feedback and concern on behalf of Nevada's stakeholders. We will keep you informed as we move through the remainder of FY 2006.

If you have any questions, please do not hesitate to call Kelly Snyder, of my staff, at (702) 295-2836.



Stephen A. Mellington  
Assistant Manager  
for Environmental Management

PSG:1799.CL

cc:

U. S. Senator John Ensign  
U. S. Senator Harry Reid  
U. S. Congresswoman Shelley Berkley  
U. S. Congressman Jim Gibbons  
U. S. Congressman Jon Porter  
Tim Murphy, NDEP, Las Vegas, NV  
CAB Members  
J. R. Rispoli, DOE/HQ (EM-1) FORS  
M. A. Nielson, DOE/HQ (EM-30.1) FORS  
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E. F. Di Sanza, DAMEM, NNSA/NSO,  
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K. K. Snyder, PSG, NNSA/NSO,  
Las Vegas

AMEM (R)  
AMEM (RF)  
MGR (RF)

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CONCUR	
EM	5-7063
PSG	
Snyder	KS
3/21/06	
PSG	
Lockwood	WJL
3/21/06	
AD/AMEM	
DiStasio	ED
3/21/06	
AMEM	
Mellgren	EM
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AMEM	5-7063