



MINUTES

Friday, June 29, 2012

9:00 a.m. – 4:00 p.m.

Idaho State Capitol Auditorium (700 W. Jefferson, Boise, ID)

Commission Members in Attendance

Chairman Jeff Sayer, Dept. of Commerce

Jared Fuhriman, Mayor of Idaho Falls

Roger Madsen, Dept. of Labor

Mark Rudin, Boise State University

Bob Smith, University of Idaho (proxy for Duane Nellis)

Larry Craig, Retired United States Senator

Jeff Thompson, Idaho House of Representatives

Peggy Hinman, Northwind (proxy for Sylvia Medina)

Bart Davis, Idaho State Senate

John Grossenbacher, Idaho National Laboratory

John Kotek, Gallatin Public Affairs

Nathan Small, Shoshone-Bannock Tribes

Arthur Vailas, Idaho State University

John Chatburn, Office of Energy Resources

Welcome and Introductions

Chairman Sayer thanked the Commission and public for attending the meeting. He recognized the Governor for his vision in creating this Commission.

At this meeting, Robert Smith is proxy for Dr. Duane Nellis, and Peggy Hinman is proxy for Sylvia Medina. All other members were present.

The website www.line.idaho.gov is live. It will be the repository for all the documents presented to the Commission so that the work of this Commission continues in the public eye. It will also be a place for the public to bring forward comments.

Chairman Sayer thanked John Grossenbacher for the two-day tour of the INL in May and for providing his staff on the bus to educate the Commission on a variety of topics. He also thanked the Naval Reactors Facility for opening their doors.

Chairman Sayer indicated that in order to meet the Governor's timeline, subcommittees have been formed. He reviewed each subcommittee and the supporting staff from state agencies. Over the next 120 days, the subcommittees – which include both Commission and non-Commission members – will review strategic questions, and bring back their reports to the Commission at its October meeting.

Chairman Nathan Small of the Fort Hall Business Council was introduced and welcomed as a new member of the LINE Commission and invited to join his fellow members on the dais.

BREAK

Governors Panel

Chairman Sayer introduced former Governors Batt and Andrus.

Governor Andrus complimented Governor Otter for his efforts to enhance the mission of the INL. For the record, Andrus stated that for than 40 years he has supported the INL. He does not support and is opposed to any amendment to Governor Batt's agreement [1995 Settlement Agreement].

Back when the 1995 agreement was signed by Governor Batt and the federal government, Andrus indicated that he joined Governor Batt in support, and 62% of the people of Idaho supported that Agreement.

In the 1995 Agreement, a 2035 deadline was established. Andrus indicated that there is no way the country is going to have a permanent repository by the 2035 deadline, which means that the waste that is in Idaho will stay here until there is a national repository. From Andrus's perspective, by December 2012, the 900,000 gallons of calcine needs to be out of the state. There is no way that DOE can process 900,000 gallons by December 31. If DOE can't meet the schedule, Andrus recommends holding their feet to the fire and imposing the \$60,000 a day penalty and use the money to support public education.

Section F.1 of the agreement specifies that the INL is the lab for spent fuel research. Last year, the state permitted 882 pounds to come into the state for Lab purposes. This modification ensures that any lab work that has to be done can be accomplished through that vehicle. That vehicle did not change the 2035 date.

Governor Batt commended Otter for forming the LINE Commission. INL is an extremely important employer. Batt believes we should hold tough on the deadlines and impose fines if DOE doesn't meet them. Some say the 1995 Settlement Agreement is sacred. Batt indicated that he doesn't believe there was any divine inspiration. If it can be improved, he certainly has no objections. He is not critical of those who want changes, but also doesn't believe it is advisable to take large quantities of commercial waste.

Hefty fines could be imposed, but we'd still have the waste. Governor Batt supported the modification to allow small amounts of waste to come into the state for research. Those shipments would be offset by reductions in future waste shipments. From his perspective, Batt doesn't make a distinction between commercial and DOE fuel.

Presentation from the Attorney General

Attorney General Wasden indicated that there are two signatures for the state – the Governor and the Attorney General. The 1995 agreement is the foundation for our success with the INL. He cited examples of significant steps forward that were occasioned by the Settlement Agreement.

DOE must look for solutions on a definitive timeline. The Agreement laid the status for designation as the lead lab for nuclear research and development. Like any good foundation, it has room to grow. Examples were the 2008 Navy addendum and the 2011 MOA concerning commercial spent fuel that expands research mission and aids the nation in developing advanced nuclear fuels.

The Settlement Agreement holds everything together. Efforts to change the agreement have to be viewed critically because undermining the foundation can bring down the whole house.

The state of Idaho can stop future shipments. The state can go to the Court and seek whatever equitable remedies are available. Financial remedy of the penalty is associated with that. In the absence of an interim storage facility, the waste that is here will stay here, but no more waste will come in. The court would have the power to fashion a remedy that is in the state's interest.

Wasden indicated that the fine is subject to appropriation. The accrual of the penalty is automatic upon failure to meet the deadline. The Governor and AG would engage in dialogue with the federal government on any potential point. This agreement was designed to solve a problem. The agreement represents the best the state could accomplish under the circumstances that were before us. None of those provisions are sacrosanct, but if there are improvements that can be made, dialogue is the way to find that.

LUNCH

Presentation from Snake River Alliance

Liz Woodruff, Executive Director of the Snake River Alliance, spoke to the mission of vision of the Snake River Alliance to serve as the state's nuclear watchdog and advocate for renewable and nuclear-free energy. A significant portion of their efforts are focused on outreach, education and advocacy to ensure citizens of the state understand the implications of stored waste. Woodruff outlined the history of Idaho as a non-consent state, and the SRA's close monitoring of cleanup at the INL site. SRA believes that clean-up cannot be jeopardized at any cost.

In response to a Commission question, Woodruff indicated that SRA was initially opposed to the 1995 Settlement Agreement. Over time it was the agreement the state was left with. The ability to come to an agreement can be lengthy, but to actually achieve agreement is a huge accomplishment. SRA has learned there was great value to the agreement. Their organization still has problems with part of it, but it provides key protections to the state of Idaho.

When asked about the role of ongoing nuclear research, Woodruff indicated it should be purposeful, necessary, and focused. R&D should not be restricted to nuclear. Energy efficiency and battery storage are things the INL is already working on. SRA supports a nuclear-free energy future – it costs too much, takes too long to build, and uses too much water. Their main concern is protecting the 1995 agreement.

Presentation from Idaho Conservation League

Rick Johnson, Executive Director of the Idaho Conservation League, indicated that the mission of ICL is to protect Idaho's environment. But for a number of reasons they have not had engagement on this issue. Nuclear energy has made a significant contribution to Idaho's history. There are economic and social issues. The cleanup efforts will run their course. The best way to address this is with open and transparent discussions.

Cleanup has to continue and shouldn't create new environmental challenges.

Presentation from Shoshone-Bannock Tribes

Nathan Small, Chairman of the Fort Hall Business Council of the Shoshone-Bannock Tribes, spoke to the Tribe's history and background with the INL and the 1995 Settlement Agreement. The Tribe is committed to the cleanup effort and many tribal members have been and are employed by the INL. The DOE American Indian program has created a government-to-government relationship – Willie Preacher is part of this program and his funding comes from DOE. The Tribe has access to certain areas (caves) to ensure they are protected. The Tribe has a very good relationship with INL/DOE right now, but the Tribe is somewhat against new shipments of waste. Preacher doesn't agree with some of the current cleanup efforts – some of it has become a storage area. The Tribe supports removal of the waste.

Presentation from Center for Advanced Energy Studies (CAES)

A panel of representatives from CAES spoke to the unique capabilities of CAES and the economic significance of the nuclear industry to the nation and Idaho. Panel participants included:

Dr. Raymond Grosshans – CAES Deputy Director, Idaho National Laboratory
Dr. Darryl Butt – CAES Co-Associate Director, Boise State University
Dr. Jason Harris – CAES Associate Director, Idaho State University
Dr. Geoffrey Black – Chairman, Dept. of Economics, Boise State University

Dr. Jason Harris offered a figure of \$371 billion for the annual dollar value of the total U.S. nuclear industry. The panel highlighted a variety of research initiatives undertaken by CAES, and the unique partnership that has been formed between the universities through this program.

Public Comments

Director Sayer thanked meeting participants and provided all individuals who signed up to make public comments with time to share their thoughts and perspectives.

Adjourn

The meeting was adjourned at 4:06 p.m.