



August 10, 2015

The Honorable C.L. "Butch" Otter  
Governor  
State of Idaho  
P.O. Box 83720  
Boise, ID 83720

Dear Governor Otter:

On July 13, 2015, the LINE Commission 2.0 held one of the most significant meetings the Commission has held since its inception. National leaders and experts provided time sensitive updates on the two nuclear fuel research projects proposed for the Idaho National Laboratory (INL), our Safety and Environmental Subcommittee provided a comprehensive overview of their recent onsite review of the lab's ability to safely manage the research fuel, and the open public dialogue in the meeting reiterated key points important to the INL's research mission. The presentations identified time sensitive information salient to the decisions you are faced with, and the meeting reaffirmed our long held belief that immediate steps need to be taken to accept these research fuel shipments and protect the INL's leadership role in nuclear research.

First, Jack Zimmerman from the U.S. Department of Energy's (DOE) Idaho office provided an important update on the status of the Integrated Waste Treatment Unit (IWTU). As Governor, you understand how important IWTU is to Idaho's environmental safety and your leadership on this issue has combined appropriate accountability for DOE with the critical support they have needed to ensure their final preparations are completed successfully. Mr. Zimmerman reported at the time of the July 13 meeting, DOE and the cleanup contractor had addressed the findings from their last simulant test and were bringing the machine up to temperature and within two weeks would initiate the processing of 60,000 gallons of simulant to further isolate the final issues and evaluate the performance of IWTU. Mr. Zimmerman was confident with this simulant run and the resulting performance assessment, IWTU would be able to meet the September 2016 target start date you negotiated and specified in their Consent Order with the Idaho Department of Environmental Quality.

Second, as a Commission we understand the critical importance of potential impacts to public health and safety associated with these two proposed shipments. To address these issues we asked the Commission's Safety and Environment Subcommittee to review those potential impacts and report back to the Commission. On May 11, the subcommittee, along with members of the public, media, and representatives of the Snake River Alliance had a day-long tour and briefing covering all safety and environmental aspects of these projects. The tour has been described as the "most cradle to grave tour ever given" at the INL.

During the tour, the subcommittee reviewed how the 200 pounds of research fuel would be transported, how it would be handled, what research would be performed and most importantly, how the fuel would be stored and the anticipated disposition of the fuel. The tour included visits to the facilities where research fuel would be stored, first-hand observations of the INL's specific fuel handling capabilities and a review of how those facilities would withstand seismic activity and other potential risks to the Snake River Plain Aquifer.

At the July 13 meeting, Dr. Mark Rudin and Jeff Feeler, co-chairs of the subcommittee, presented their observations after seeing first-hand the entire research process. Their conclusion was clear - the research material can be safely handled within the INL facilities and does not pose any credible threat to the environment. Specifically, given the advanced handling capabilities at the INL, they found no credible pathway for the research fuel to ever reach the aquifer. The subcommittee's recommendation was these shipments should be permitted and performing this research will strengthen INL's research credentials.

Of particular note, the subcommittee report included a supplemental presentation from Suzette Payne, a leading seismologist at the INL. Her informative presentation illustrated the historical seismic activity near the INL since 1850 and highlighted key mitigating factors that significantly reduce the seismic risk at the INL. Her scientific opinion, included the statement "we don't have any surface rupturing events that come into the Snake River Plain," suggesting there is little to no risk of nuclear fuel stored at the INL migrating to the snake river aquifer. Her professional observations were a refreshing clarification to the fear based statements that are common from those who oppose this research fuel. Her presentation was informative, scientifically based and we would encourage members of the public to view her comments on Idaho Public Televisions website where the meeting is recorded and archived.

In addition to these reports, the Commission held the first of what will likely be many discussions about the linkage of research activities to cleanup milestones in the Settlement Agreement. As you know, the INL's core mission is research, and the work they do is important to Idaho, the nation, and the world. It is our opinion, preventing the proposed research – or creating a cloud of uncertainty on INL's ability to do that research because of delays in cleanup milestones – is inappropriate and damaging.

You, the Idaho Department of Environmental Quality and DOE have thoughtfully addressed the cleanup milestones with a credible and clear pathway for IWTU to proceed, complete with appropriate penalties if future milestones are not met. With the Consent Order in place, holding research opportunities hostage will do nothing to speed up the engineering and scientific solutions that are needed for IWTU to begin operations. Instead, penalizing the lab's research mission damages the lab's national credibility, jeopardizes its ability to attract top scientific talent and more importantly, jeopardizes its ability to secure future research funding from limited federal funds already stretched between universities and other national labs.

Finally, and most importantly, DOE's Acting Assistant Secretary for Nuclear Energy, John Kotek, provided an update on programs taking place within his office. He indicated the research projects proposed for Idaho are a high priority for his office - high enough priority that in the case of the shipment scheduled for 2016, if Idaho is unable to make a final determination he will be forced to send the research to another national lab. In fact, Mr. Kotek was clear in

stating *Idaho has two more months* to resolve our issues in order to secure the 2016 shipment of research fuel.

Prior conversations with DOE regarding the research projects have always been overshadowed with the concern Idaho could lose the research if we were unable to resolve our concerns. Mr. Kotek's comments remove ambiguity from this issue and clearly state that what was an earlier speculation is now a definitive reality.

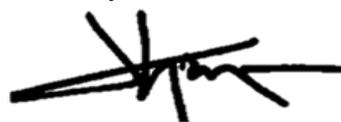
To move forward, the Commission recognizes two key issues will need to be addressed. First, there remains considerable misinformation in the public conversation surrounding this issue and we recognize the need to integrate the correct facts and science into the conversation. We will continue our efforts to disseminate our findings and the corresponding facts in an effort to support the statewide conversation.

Second, we are concerned that Idaho Attorney General Lawrence Wasden's February 27, 2015 requirement that IWTU be operational before a research waiver is granted will permanently eliminate the 2016 project from coming to Idaho and will jeopardize future research opportunities. Hopefully, the extensive efforts and findings of our Safety and Environment Subcommittee and the information presented in our July 13 meeting will be of assistance in resolving the Attorney General's concerns.

In summary, after investing many hours in tours, briefings and public discussions regarding these projects, we believe the conditions you and Attorney General Wasden outlined in your January 8, 2015 letter to U.S Department of Energy Secretary Ernest Moniz have been met. In addition, we believe the requirements set forth in the Consent Order negotiated with DOE provide appropriate and adequate accountability measures to ensure DOE will successfully proceed with the completion of IWTU.

Governor, it is clear we are at the decision point as a state. If we want to maintain the INL's leadership role in energy research, advance the capabilities of the lab, attract top talent to our economy and secure Idaho's position in future research funding we need to move quickly to establish a pathway for the INL to receive the proposed research fuel. We endorse your efforts to secure these shipments of research fuel and we offer whatever support you need to bring these research opportunities to a successful conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Sayer', with a stylized flourish at the end.

Jeff Sayer  
Director

cc:

Attorney General Lawrence Wasden  
John Tippets – Director, Idaho Department of Environmental Quality  
Rick Provencher – Manager, U.S. Department of Energy - Idaho  
Governor Cecil Andrus  
Governor Phil Batt