

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 08, 2012
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman McKenzie, Vice Chairman Fulcher, Senators Davis, Hill, McGee, Winder, Lodge, Malepeai, and Stennett
ABSENT/ EXCUSED:

NOTE: The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

Chairman McKenzie convened the meeting at 8:00 a.m. with a quorum present.

RS21095C1 A CONCURRENT RESOLUTION to authorize the Legislative Council to appoint a Committee to undertake and complete a study of the feasibility and means necessary for the State of Idaho to obtain primacy over regulation of wastewater discharges to surface water.

Senator Hammond explained that this issue of primacy has been studied before. The State is quite capable of managing this issue. The overreach from the Environmental Protection Agency (EPA) has grown larger and is affecting development within the State. For that reason, this legislation is being brought forward.

In Kootenai County there are three cities that discharge into the Spokane River. They are being asked to meet standards that science does not support. The projections for additional costs to those three wastewater plants amount to \$100.0 million. The standard for Idaho is set by the state of Washington although Washington does not have to meet that same standard. This bill will not cure the problem but it will give Idaho a voice at the table. If this standard is set, it will stop growth and development. This has become a statewide issue and the State cannot afford to delay any longer.

Senator Stennett asked how much "deregulation" do these entities need to continue to function. **Senator Hammond** answered that it will not deregulate the process, it will change who will regulate the process; instead of EPA, it would be the Department of Environmental Quality (DEQ). The standards would remain the same. DEQ also issues permits for many of those same processes but the struggle now is with an agency that has a regional and national viewpoint instead of those permits coming to Idaho. If those permits came to the State, it would improve the ability to manage the process.

Senator Stennett asked if the DEQ would have the oversight for industry as well as municipalities and agencies. **Senator Hammond** responded that DEQ would be the overseer for any permit holder.

MOTION: **Vice Chairman Fulcher** moved, seconded by **Senator Winder**, to send **RS21095C1** to print.

Senator Davis noted that this is a concurrent resolution so it would go straight to the 10th Order of Business. Is it contemplated that this SCR would come back for further review? **Senator Hammond** asked that the bill be returned to State Affairs for further discussion and clarification before it goes to the floor.

Senator Davis asked the maker of the motion if they would find Senator Hammond's suggestion to be problematic or whether they desire for it to go straight to the Tenth Order. **Vice Chairman Fulcher** clarified his earlier motion by sending **RS21095C1** to print and to add that it be returned to the State Affairs Committee for further discussion.

VOTE: The motion carried by voice vote.

RS21129 RELATING TO CODIFIER'S CORRECTIONS IN STATUTES to make various codifier corrections to the Idaho Code.

MOTION: **Senator Davis** moved, seconded by **Vice Chairman Fulcher**, to send **RS21129** to print.

VOTE: The motion carried by voice vote.

Chairman McKenzie welcomed Director Grossenbacher from the Idaho National Laboratory (INL).

PRESENTATION: **John Grossenbacher**, Director, INL, stated that there were two presentations before the Committee: 1) Economic Outlook and Revenue Assessment Committee provides background and current status of the INL. This is useful to review at a convenient time but won't be covered in depth today. 2) Idaho's Leadership Role in Nuclear Energy will be the topic for today.

Director Grossenbacher provided the following overview of what will be covered in today's presentation.

- Background
- Burdens and Benefits of Nuclear Technology for Energy and Defense
- The Idaho Settlement Agreement
- Yucca Mountain History
- Blue Ribbon Commission Charter and Schedule
- The Opportunity for Idaho

The Federal Government is in compliance with the clean up settlement agreement with the State of Idaho. In some instances, the clean up is being accelerated. Waste is leaving the state and the aquifer is being protected. **Senator Davis** stated that the Committee had just printed a RS on primacy. In the instance of the aquifer being protected, if Idaho were to work toward primacy, would that have an adverse impact on the efforts of the INL or, because it is a national lab, could there be primacy for what the lab is doing? **Director Grossenbacher** said he wasn't a lawyer nor an expert on primacy. However, relationships between federal installations like the INL, the Federal Government, and the host state that deals with those capabilities has evolved over time. When the INL and its predecessors was created, there was no EPA. Now there is much more transparency and a basis for partnership with those entities. The Federal Government cannot have an installation and do whatever they want without concern for the state. INL has the responsibility to tell the community everything because it depends on the support, trust, and confidence of the citizens. This is not an expert opinion but, as a practical matter, there must be a partnership between Federal Government and the state with full transparency and the need for cooperation and collaboration.

In addition to an overview of the INL, **Director Grossenbacher** touched on the Blue Ribbon Commission Recommendations on Used Fuel and High-Level Waste (BRC) and what the current status is. The Final Report was issued January 2012. They will wait and see what national leadership does with the report and, in particular,

Congress, because the current law has to be changed. Current law says there is only one plan and that is Yucca Mountain. Until that is changed, nothing can be done.

The Quadrennial Energy Review (QER), an ongoing activity, is an effort put together by the President that models the defense department quadrennial renewal process. They look at military strategy and determine if it is right and is it what the country needs. The intent is to get to the same place with energy. DOE developed a technology review program but it lacks details. That is very significant because it could have an impact on energy. Everything nuclear is big and long term, and should be looked at on a long term basis.

Director Grossenbacher thanked Governor Otter for his creation of the Leadership in Nuclear Energy (LINE) Commission. The Commission formed in January, 2012, with a final report date of January 2013. The Charter is summarized within the presentation along with an overview of the points that are made in the Executive Order.

Director Grossenbacher, in closing, requested that leadership review the history of the site and its relationships, evaluate the past, and look at the potential in the future.

Both presentations are included in their entirety as attachments to these minutes.

Senator Winder asked how the funding looked for the current and long term. **Director Grossenbacher** answered that in 2012, the INL will be fine although there may be some minor adjustments primarily based on skill sets. The year 2013 and beyond is a huge question mark because of the uncertainty of the federal budget and the failure of the super committee. If the worst happens, they will plan on eight percent and that will depend on the course of this year. The federal budget deficit is an enormous challenge and there isn't a clear path forward.

Chairman McKenzie thanked **Director Grossenbacher** and asked for a motion on the January 27th minutes.

MINUTES: January 27th

MOTION: **Senator Davis** moved, seconded by **Senator Lodge**, to approve the minutes of January 27th as written.

VOTE: The motion carried by voice vote.

ADJOURNMENT: **Chairman McKenzie** announced that there is a full agenda on Friday. Being no further business, the meeting adjourned at 8:37 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary