

The Continuing Expansion of Waste Control Specialists LLC Licenses & Capabilities

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Two thousand and nine has been a monumental year for Waste Control Specialists LLC (WCS). On January 14, 2009 the Texas Commission on Environmental Quality (TCEQ) ordered that a final license for the disposal of Low Level Radioactive Waste (LLRW) and mixed Low Level Radioactive Waste (MLLRW) be granted to WCS. Final authorization was conditional on condemnation of the remaining 2% of the mineral rights for the WCS property. The Texas Attorney General concluded condemnation proceedings September, 2009 and a final disposal License was granted to WCS.

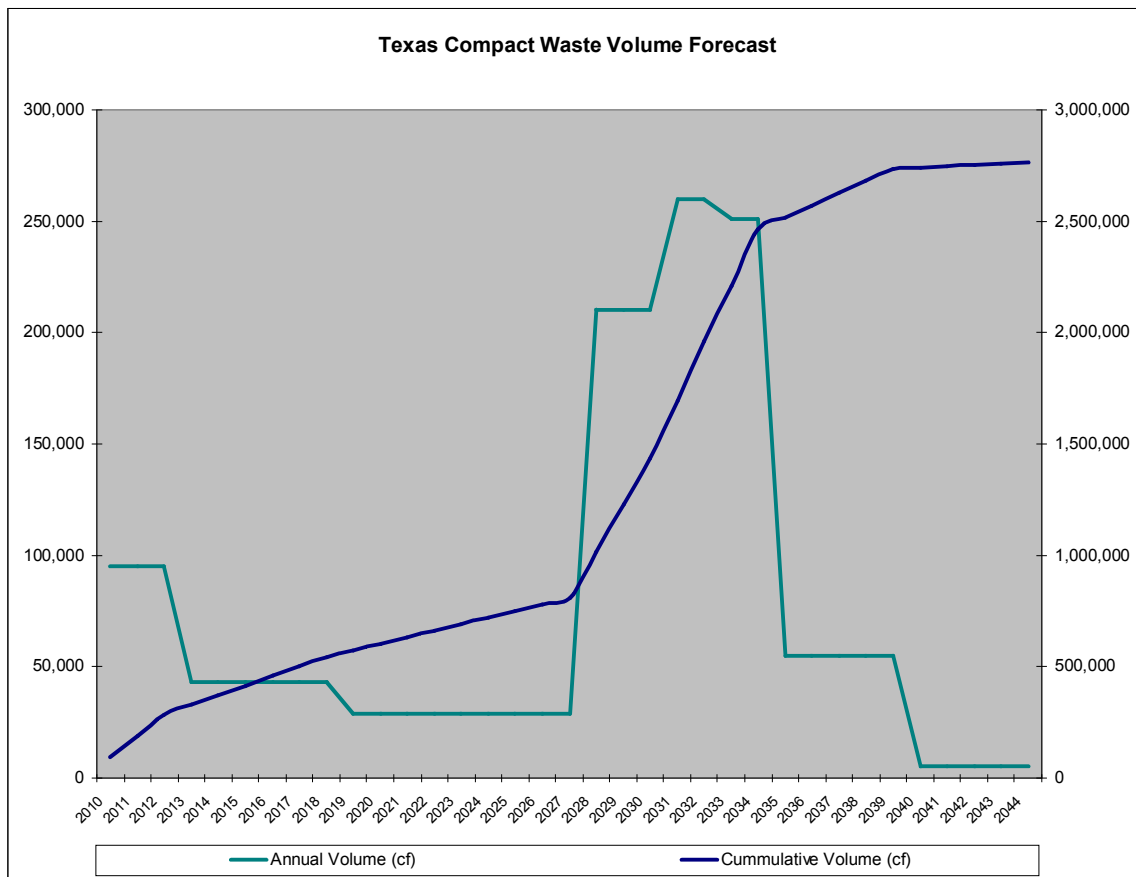
This License authorizes WCS to construct and operate a Federal Waste Facility (FWF) for the disposal of Class A, B, and C mixed waste and a Compact Waste Facility (CWF) for the disposal of commercial Class A, B, and C waste from Texas and Vermont.

The process started on August 4, 2004, when WCS submitted a license application to the Texas Commission on Environmental Quality (TCEQ) seeking authorization to dispose of LLRW in two enhanced near-surface landfills at its 5.4 square kilometers (1,338-acre) site in Andrews County, Texas. On August 11, 2008, TCEQ issued a final draft license for developing and operating the two proposed LLW-disposal landfills at the site. One landfill, *the Compact Waste Facility (CWF)*, is allowed to contain 65,420 cubic meters (m³) (2,310,000 cubic feet {ft³}) of Class A, B, and C LLW generated in the member states of the Texas Compact (Texas and Vermont). The other landfill, *the Federal Waste Facility (FWF)*, is allowed to contain 736,000 m³ (26,000,000 ft³) of Class A, B, and C Federal LLW as defined under the Low-Level Waste Policy Act of 1980 and its 1985 amendments. The FWF License also includes authorization to dispose of A/B/C LLW mixed with RCRA regulated hazardous and/or toxic constituents (MLLW). The applicable Texas law allows the FWF to contain up to 4,587,600 m³ (6,000,000 cubic yards) of waste.

Prior to opening the FWF, Texas law requires that the Department of Energy (DOE) assume all rights, title, and interest in land and buildings for the disposal of federal waste. DOE has indicated that such an agreement will be executed as a disposal need becomes evident. WCS requested an exemption so that DOE need only take ownership at the end of operations. The TCEQ requested guidance from the Nuclear Regulatory Commission (NRC) to determine if an exemption was acceptable. The NRC stated that private ownership of the facility up to the beginning of the institutional control period would meet the essential objectives of the government land ownership provisions of 10 CFR Part 61. The TCEQ Commissioners approved the exemption with their final order. WCS is in the process of negotiating an agreement with DOE.

Access to the CWF is controlled by the Texas Low-Level Radioactive Waste Disposal Compact Commission (“Compact Commission”). Texas Compact Commission members were named by the Texas Governor on November 25, 2008 (5 representatives) pursuant to Senate Bill 1206. Other representatives include one from Vermont and one from Andrews County, Texas. The Texas Compact Commission is responsible for the import and export of waste into and out of the Texas Compact and rate setting. The Texas Compact Commissioners are in the process of developing rules for both import and export of low-level radioactive waste for the Texas Compact. Long-term viability of the CWF is contingent on out-of-compact importation allowances. At the most recent meeting on December 10, 2009 the Texas Compact Commission developed final import rules but held off on final approval until its next meeting in January 2010. Figure 1 below provides estimated receipt volumes for the CWF.

Figure 1



WCS will be pursuing certain needed License amendments in 2010 to ensure the economic viability of the disposal facility.

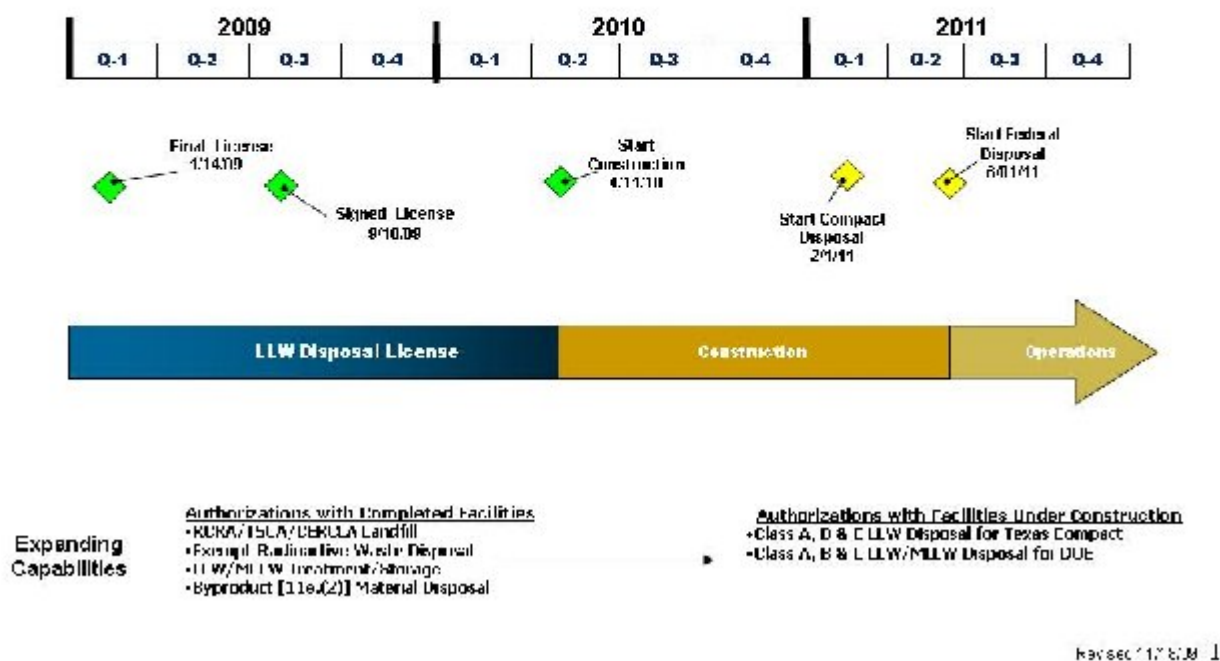
Immediate license amendment plans include the following:

- Exemption to dispose of all soil/soil-like LLW as bulk
- Exemption to dispose of all LLW debris/rubble as bulk
- Receipt of containerized LLW by rail
- Receipt of bulk LLW by rail
- Disposal of DUF6 conversion waste

In May of 2009 Andrews County Commission allowed a \$75 million in general obligation bonds to be put to vote. This referendum passed on May 9, 2009. These bonds funds are allocated solely to funding the WCS LLRW disposal facility construction. Two citizens in Andrews County filed a lawsuit challenging the outcome. October 6, 2009 a county judge's decision upheld the validity of the bond election. This decision was been appealed by the two county citizens. The state election code calls for quick appellate court action on such measures. WCS anticipates a favorable ruling in second quarter 2010.

Given resolution of the bond election lawsuit, WCS plans on beginning construction of the disposal facilities April 2010. It is anticipated that receipt operations will begin February 2011. A timeline is shown in Figure 2 below.

Figure 2



When opened, the Texas Compact facility will be the first facility of its kind licensed under the Low-Level Radioactive Waste Policy Act of 1980, as amended in 1985. It will provide a solution to the current lack of disposal options for Class B and C waste for its Compact members and could provide a nation-wide solution in the future. In addition, the WCS facility will provide additional competition in the Class A LLRW and MLLRW market place. The facility will be operated for 35 years.

It is important to note that WCS will continue to operate its mixed low-level radioactive waste treatment facility as well as its RCRA Part B landfill.