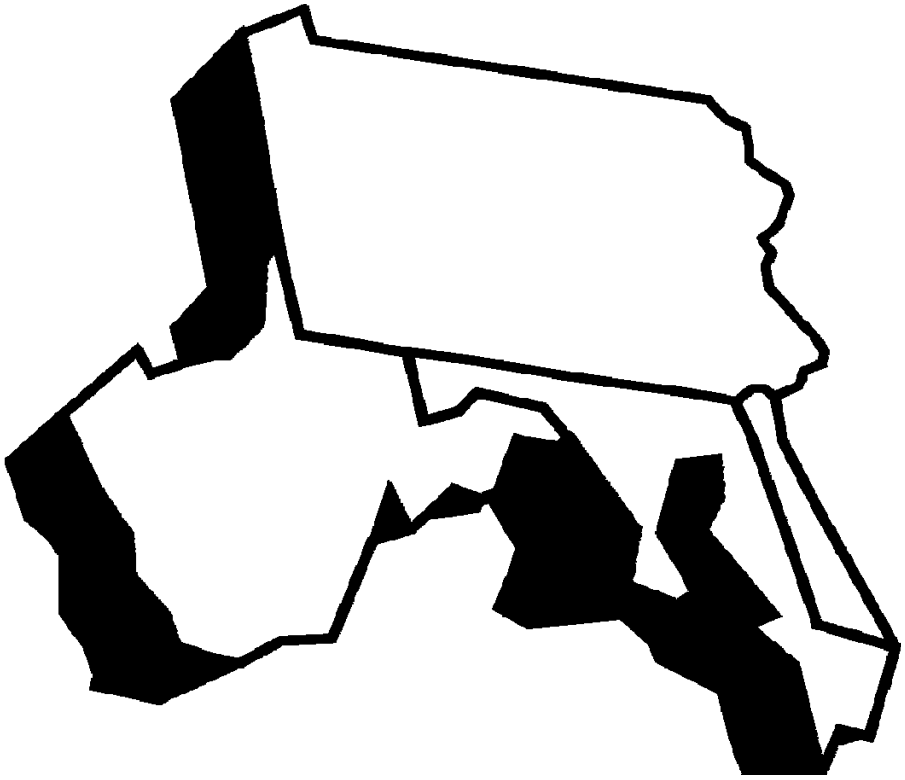
APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

2007 - 2008
ANNUAL REPORT



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pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Commonwealth of Pennsylvania **Department of Environmental Protection**

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

2007 - 2008
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APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION ANNUAL REPORT

Introduction

The General Assembly of the Commonwealth of Pennsylvania created the Appalachian States Low-Level Radioactive Waste Commission (Commission) by enacting the Appalachian States Low-Level Radioactive Waste Compact Act, Pennsylvania Act 1985-120. Under the authority of this act, the states of Delaware, Maryland, West Virginia and the Commonwealth of Pennsylvania formed a compact to provide for the regional management and disposal of low-level radioactive waste (LLRW) in response to federal law, Low-Level Radioactive Waste Policy Act of 1980 and Low-Level Radioactive Waste Policy Amendment Act of 1985. Congress consented to the Appalachian States Low-Level Radioactive Waste Compact in May 1988.

The commission provides for representation of the compact party states in establishing a regional facility to dispose of their LLRW. Its duties and powers are listed in the "Duties and Powers of the Commission" section of this report.

Pennsylvania has been designated as the initial host state for the regional LLRW disposal facility because it generates the largest amount of LLRW in the compact. However, on Dec. 31, 1998, the Pennsylvania Department of Environmental Protection (DEP) suspended the siting process after discussing the issue with the commission.

This report covers the period of **July 1, 2007,** through **June 30, 2008**.

What is Low-Level Radioactive Waste?

LLRW is defined as radioactive waste that is <u>not</u> high-level radioactive waste (HLRW), spent nuclear reactor fuel, wastes from reprocessed reactor fuel, uranium mine and mill tailings, waste containing higher quantities of transuranic elements or radioactive wastes generated in the production of nuclear weapons. LLRW includes naturally occurring or accelerator-produced radioactive material or any other waste classified as LLRW by the federal acts. LLRW is trash or other materials that have been contaminated with radioactivity and consists of contaminated protective clothing, paper, metal and glass items; ion exchange resins; filter media; solidified waste; incinerator ash; reactor components; radiation gauges and sealed sources.

In the Appalachian States Compact region, LLRW is produced by nuclear power reactors, hospitals, universities, military and various industrial and research firms.

Pennsylvania will only regulate the disposal of LLRW at the regional facility. The federal government is responsible for the disposal of HLRW, transuranic and greater than Class C wastes (Class C waste as defined by 10 CFR 61.55). Items such as spent nuclear fuel, some nuclear reactor components, some radiation gauges and sealed sources fall under the federal responsibility.

History of the Commission

Until Dec. 31, 1992, the nation had three commercial LLRW disposal facilities. They were located in Barnwell, South Carolina; Beatty, Nevada; and Richland, Washington. Congress passed the Low-Level Radioactive Waste Policy Act (P.L. 96-573) in 1980 to remove the burden from these three states of accepting LLRW from all 50 states. This act required states to manage the disposal of all LLRW generated within their borders, except defense-related waste generated by the Department of Energy. The act authorized states to form compacts to establish and operate regional disposal facilities.

Despite the enactment of the Federal Low-Level Radioactive Waste Policy Act of 1980, by 1985 the states had made little progress towards establishing regional LLRW disposal facilities. Therefore, in January 1986 Congress passed the Low-Level Radioactive Waste Policy Amendments Act of 1985 (P.L. 99-240). The 1985 Policy Amendments Act provided several incentives and sanctions to encourage states to join compacts and develop and operate regional LLRW disposal facilities.

The Pennsylvania General Assembly enacted Act 1985-120 to create the commission and provide for its powers and duties. It also provided for the rights, responsibilities and obligations of the party states. The respective legislatures and governors of Delaware, Maryland, Pennsylvania and West Virginia approved the Appalachian States Low-Level Radioactive Waste Compact between 1985 and 1987. Congress consented to the compact on May 19, 1988 (P.L. 100-319). The compact designated Pennsylvania as the initial host state for a regional LLRW disposal facility.

Administration of the Commission

The commission currently consists of 10 members: four from Pennsylvania and two each from Delaware, Maryland and West Virginia. The governor of Pennsylvania will appoint an eleventh member from the municipality or county where the regional disposal facility is located.

The commission became operational June 4, 1990. The commission is required to hold an annual meeting. The chairman, a majority of the commission members or two commission members from the host state can call additional meetings during the year. Since the suspension of the siting process, the commission has only been holding annual meetings. These meetings are open to the public.

Commission members, alternates and officers as of **June 30, 2008,** are as follows:

OFFICERS	Chairman	Kathleen A. McGinty
	Vice-Chairman	Robert M. Summers
	Administrator	Rich Janati
STAFF	Counsel	John W. Carroll, Esquire Tim Anderson, Esquire Pepper Hamilton LLP

STATE	COMMISSION MEMBER	COMMISSION ALTERNATE
DELAWARE	**Honorable Vincent P. Meconi** Delaware Health and Social Services Office of the Secretary	**Freida Fisher-Tyler** Director of Radiation Control Delaware Division of Public Health
	Honorable John A. Hughes Secretary Department of Natural Resources and Environmental Control	**Harry W. Otto, Ph.D.** Administrator, Interagency Programs Division of Water Resources Department of Natural Resources and Environmental Control
MARYLAND	**Honorable John Michael Colmers** Secretary Department of Health and Mental Hygiene	**Clifford S. Mitchell** Director, Environmental Health Coordination & Public Health Residency Program Department of Health and Mental Hygiene
	Honorable Shari T. Wilson Secretary Department of the Environment	**Robert M. Summers** Deputy Secretary Department of the Environment
PENNSYLVANIA	**Honorable Kathleen A. McGinty** Secretary Department of Environmental Protection	**David J. Allard** Director Bureau of Radiation Protection Department of Environmental Protection
	Honorable Allen D. Biehler, P.E. Secretary PA Department of Transportation	**Richard Hogg P.E.** Deputy Secretary for Highway Administration PA Department of Transportation
	Honorable Dennis J. Yablonsky Secretary Dept. of Community & Economic Dev.	**John P. Blake** Executive Deputy Secretary Dept. of Community & Economic Development
	Honorable Calvin B. Johnson Secretary Department of Health	**Dr. James N. Logue** Director, Div. of Environmental Health Assessment Department of Health
WEST VIRGINIA	**Honorable Randy C. Curtis** Director, Radiation, Toxics and Indoor Air Division Bureau of Public Health	**Dan Hill** Chief, Radiological Health Program Office of Environmental Health Services Department of Health and Human Resources
	Honorable Stephanie Timmermeyer Secretary WV Dept. of Environmental Protection	**H. Michael Dorsey** Assistant Director Division of Waste Management Department of Environmental Protection

Duties and Powers of the Commission

The Appalachian States Low-Level Radioactive Waste Compact Act, Pennsylvania Act 1985-120, empowers the commission to carry out certain duties, the most significant of which are as follows:

- Conduct research and establish regulations to promote reduction in volume and curie content of LLRW generated within the region;
- Ensure that LLRW generated within the region is safely disposed;
- Designate "host states" to establish LLRW disposal facilities as required by the compact;
- Prepare contingency plans for the management and disposal of LLRW if a regional disposal facility is closed or unavailable;
- Examine all records of operators of regional disposal facilities pertaining to operating costs, profits, charges, fees or surcharges and make recommendations to the host state;
- Provide public information concerning LLRW management and disposal needs, technologies and problems;
- Keep current and annual inventories of all generators by name and quantity of LLRW generated within the region. Inventory information shall include volume, curie content, chemical composition and toxicity of such waste;
- Keep an inventory of all regional facilities and specialized facilities in the nation;
- Enter into temporary agreements with non-party states or other regional boards for the emergency disposal of the regional LLRW; and
- Publish an annual report detailing its programs, operations and finances.

Summary of Department's Activities for the Fiscal Year 2007-2008

The department continued to perform the administrative responsibilities and duties of the Appalachian States Low-Level Radioactive Waste Commission (Commission). The commission's powers and duties are specified in the Appalachian States LLRW Compact Act of 1985 (Act 1985-120).

In September, representatives from the department attended the LLW Forum meeting in Annapolis, MD. The Appalachian Compact sponsored this meeting with assistance from the department staff. The LLW Forum was established to facilitate state and compact implementation of the Low-Level Radioactive Waste Policy Act and to promote the objectives of LLRW regional compacts. The LLW Forum provides an opportunity for state and compact officials to share information with one another and to exchange views with officials of federal agencies and other interested parties.

In October, the department completed and published the Annual LLRW Program Report for 2007. The report provides a summary of the current activities of the Appalachian Compact, a list of all LLRW generators in the compact, and the amounts of LLRW disposed by volume and radioactivity. It also contains a discussion of LLRW generation trends, including waste minimization and financial statistics, pertaining to all aspects of the compact.

In November, the department held the annual meeting of the Low-Level Radioactive Waste Advisory Committee. The primary purpose of the meeting was to: (1) Review and discuss regional and national issues and developments related to LLRW management and disposal; (2) Review information on LLRW generation within the compact; (3) Review LLRW storage issues and requirements, (4) Update on the Agreement State status with the Nuclear Regulatory Commission, and (4) Elect the committee officers.

In November, the Radioactive Waste Program staff coordinated and attended the annual meeting of the commission.

In December of 2008, the department officially requested that the LLRW generators in Pennsylvania provide the department with information regarding Class B and C wastes in storage. The information requested will include waste type, volume, activity, class of waste and storage capacity. As of July 1, 2008, the Barnwell disposal facility in South Carolina will no longer accept LLRW from outside the Atlantic Compact (Connecticut, New Jersey and South Carolina). As a result, the generators outside the Atlantic Compact will be forced to store their Class B and C Wastes. The information obtained by the department will be published in the LLRW Program Annual Report, which currently contains information on LLRW disposal for Pennsylvania and other party states of the Appalachian Compact.

The department continued to monitor the generation and disposal of LLRW in Pennsylvania. The department has significantly reduced the regulated community's administrative LLRW reporting requirements, by now obtaining the appropriate information directly from the national Manifest Information Management System (MIMS) database. In addition, the department continued to prepare information materials for the purpose of educating the public and other interested parties about radiation, radioactivity and transportation of radioactive materials.

Summary of Commission's Activities for the Calendar Year 2007-2008

In July 2007, the commission's independent auditor, Greenawalt & Company, P.C. conducted its annual audit of the commission's financial statements for fiscal year 2006-07. The audit did not identify any instances of non-compliance that are required to be reported under Government Auditing Standards.

In September 2007, a representative from the commission attended the Low-Level Radioactive Waste Forum (LLW Forum) meeting in Oak Brook, Illinois. The LLW Forum was established to facilitate state and compact implementation of the Low-Level Radioactive Waste Policy Act and to promote the objectives of LLRW regional compacts. The LLW Forum provides an opportunity for state and compact officials to share information with one another and to exchange views with officials of federal agencies and other interested parties.

In November 2007, the commission held its annual meeting. The primary purpose of this meeting was to: (1) Review the Independent Auditors' Report of Commission's financial statements for fiscal year 2006-07; (2) Consider a proposed revised budget for fiscal year 2007-08 and a proposed budget for fiscal year 2008-2009; (3) Review and discuss national and regional developments related to LLRW and low-activity waste management and disposal; (4) Review information on LLRW generation within the compact; (5) Elect the commission's officers, and (6) Review and discuss the

definition of LLRW in the compact as it relates to byproduct material. The commission adopted resolution 2007-1 that states, "the definition of low-level waste (LLW) for the Appalachian Compact be construed to exclude the two new categories of byproduct material, which were excluded from the definition of LLW in the federal LLW Act and the Atomic Energy Act by the 2005 Energy Policy Act. The commission also urged the party states to adopt statutory interpretations of their respective State Compact Acts consistent with this resolution, either by policy or regulations as deemed necessary."

In February 2008, the commission published its annual report for fiscal year 2006-07. This report includes the Independent Auditors' Report.

In April 2008, the Commission's Vice-chairman attended the LLW Forum meeting in Richland, Washington. This meeting included a site tour of Richland LLRW disposal facility.

Waste Disposed by Compact Member States

Waste quantities disposed by the member states of the Appalachian States Compact in calendar year 2007 are shown in Table 1 and Chart 1 for LLRW volume disposed and Table 2 and Chart 2 for LLRW activity disposed on pages 8 and 9, respectively. These quantities were obtained from the Department of Energy's Manifest Information Management System (MIMS). The MIMS contains information on LLRW shipments received at the commercial disposal facilities.

Pennsylvania disposed of about 78,455 cubic feet of LLRW, most of which was generated by government, utility and industry generators. Maryland disposed of about 21,016 cubic feet, most of which was generated by government, utility and industrial facilities. West Virginia and Delaware generated about 49 and 43 cubic feet, respectively, mainly from industrial, academic and, in West Virginia medical facilities.

Pennsylvania disposed of about 492,579 curies of radioactivity, most of which was generated by the utilities. Maryland generated 25,305 curies, also largely from utility facilities. West Virginia and Delaware generated only 0.16 and 12.9 curies, respectively.

It is important to note that Maryland disposed 27 percent of the LLRW volume disposed by Pennsylvania. The Pennsylvania Act 1985-120, Article 2, states that the commission is empowered to designate as "host state" any party state that generates 25 percent or more of Pennsylvania's volume or total curie content of the LLRW generated based on a comparison of averages over three successive years, as determined by the commission. This determination shall be based on the greater of total volume or total curie content. Based on the preceding determination, the commission has declared that Pennsylvania has thus far been the only designated host state.

Appalachian States Compact LLRW Disposal Trends

The LLRW disposal trends for the Appalachian States Compact are shown in Table 3 and Chart 3 for LLRW volume disposed from 1986 – 2007 and Table 4 and Chart 4 for LLRW activity disposed from 1986 – 2007 on pages 10 and 11, respectively.

The data shows that, overall, there is significant reduction in the volumes of LLRW generated in the Appalachian States Compact since 1986 due to volume reduction practices by LLRW generators. The large increase in the volumes of LLRW in 1991 was due to decommissioning waste from an industrial facility in Pennsylvania. The significant increase in the LLRW volume in 2000 and 2001 was also mainly from decommissioning waste. In 2007, disposed LLRW volume decreased mainly due to a reduction in decontamination and decommissioning (D & D) waste from the government-owned facilities. At present, the majority of D & D waste volume from the Appalachian Compact is being disposed at the Energy Solutions (formerly Envirocare) facility in Clive, Utah.

The 2007 LLRW activity (radioactivity) from the compact is about 517,897 curies. This significant increase from 2006 is mainly due to refueling outages at some of the nuclear power facilities within the compact. The largest activity portion was due to irradiated reactor components, typically Class C LLRW, which were disposed at the Barnwell, South Carolina, LLRW disposal facility in anticipation of loss of access to the Barnwell facility.

The significant increase in the radioactivity level of LLRW in 1991 was due to a large amount of non-routine irradiated components from nuclear power facilities. This type of waste also contributed significantly to the increase in the radioactivity of LLRW in 2000 and 2001. Although waste minimization methods and processes have been effective in reducing the volume of LLRW, they have not been as effective in reducing the radioactivity level of the waste.

It should also be mentioned that the MIMS database does not include LLRW disposed at the Energy Solutions facility prior to 1998. This omission of the historical data would affect waste disposal trend information for volume, but would not have a significant impact on the radioactivity of LLRW. This is because, historically, about 99 percent of the Compact's LLRW radioactivity has been shipped to the Barnwell disposal site for burial. The MIMS database includes LLRW volume and radioactivity data for the Barnwell disposal site from 1986 through 2007.

TABLE 1

Appalachian Compact 2007 LLRW Disposal Volume by State and Facility Type

Facility Type/State	WV	DE	MD	PA	Total
Academic	6.6	9.9	14.8	36.5	67.8
Government	0.3	0	478.3	32,531.8	33,010.4
Industry	23.1	32.8	177.8	10,313.0	10,546.7
Medical	18.6	0	10.9	17.3	46.9
Utility	0	0	20,333.8	35,555.9	55,889.7
Total	48.7	42.7	21,015.6	78,454.5	99,561.5

This data is from the Pennsylvania Department of Environmental Protection and the Manifest Information Management System (MIMS) – U.S. Department of Energy as of April 15, 2008. Volume is in cubic feet.

CHART 1

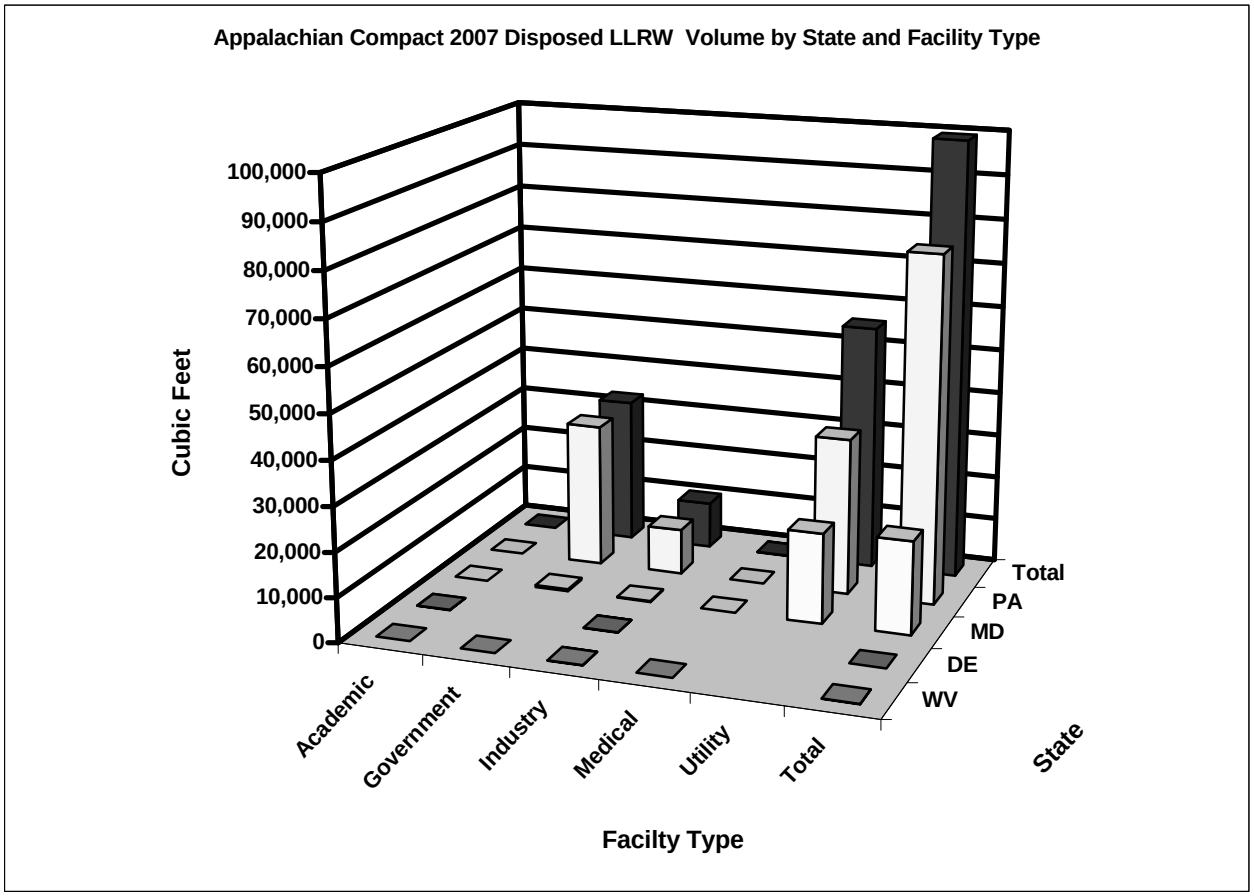


TABLE 2

Appalachian Compact 2007 LLRW Disposal Activity by State and Facility Type

Facility Type/State	WV	DE	MD	PA	Total
Academic	0.13	<0.01	<0.01	0.1	0.27
Government	0.01	0	6.7	1.8	8.5
Industry	0.01	12.8	32.9	11,312.4	11,358.1
Medical	0.01	0	0.1	1.0	1.1
Utility	0	0	25,265.0	481,264.0	506,529.0
Total	0.16	12.9	25,304.7	492,579.3	517,897.0

This data is from the Pennsylvania Department of Environmental Protection and the Manifest Information Management System (MIMS) – U.S. Department of Energy as of April 15, 2008. Activity is in curies.

CHART 2

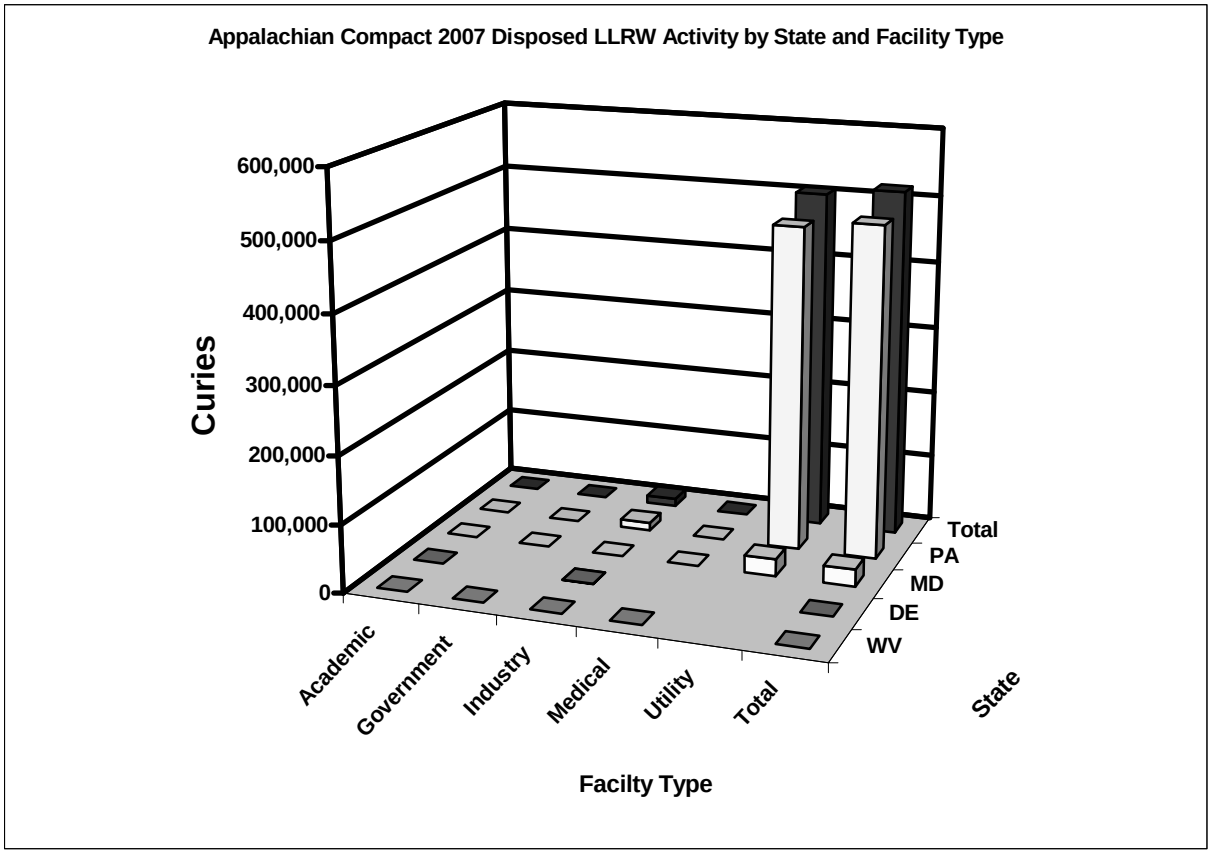


TABLE 3

Appalachian Compact LLRW Disposal Volume from 1986 to 2007

Year	WV	DE	MD	PA	Total
1986	189.8	1,473.4	19,425.0	191,073.4	212,161.5
1987	112.1	1,560.1	26,549.3	166,139.8	194,361.3
1988	148.2	1,420.2	30,603.7	150,297.8	182,469.8
1989	411.1	1,376.4	39,995.7	129,484.7	171,267.9
1990	95.2	843.8	17,037.9	101,604.1	119,581.1
1991	368.2	775.5	19,224.3	224,563.6	244,931.6
1992	192.2	986.5	17,673.6	93,189.4	112,041.6
1993	26.8	479.8	11,358.8	48,439.3	60,304.7
1994	81.8	374.8	8,421.1	51,441.6	60,319.3
1995	4.2	57.8	4,428.7	35,199.6	39,690.3
1996	34.8	127.2	3,391.1	24,203.1	27,756.1
1997	1.8	23.9	3,096.5	14,486.2	17,608.4
1998	48.0	173.8	7,604.6	42,686.0	50,512.4
1999	158.7	80.6	8,406.8	143,043.7	151,689.8
2000	53.4	27.6	9,766.8	421,398.1	431,246.0
2001	44.1	76.2	10,759.9	534,429.4	545,309.6
2002	183.3	366.4	6,752.8	55,371.4	62,673.8
2003	151.8	73.5	3,703.1	74,901.0	78,829.4
2004	34.8	48.8	13,177.8	55,136.0	68,397.4
2005	2.4	74.2	107,956.4	91,292.6	199,325.6
2006	38.02	59.2	48,131.8	57,627.7	105,856.8
2007	48.69	42.7	21,015.6	78,454.5	99,561.5
Total 1986 to 2007	2,380.6	10,479.7	417,465.5	2,706,008.5	Grand Total 3,235,895.8

This data is from the Pennsylvania Department of Environmental Protection and the Manifest Information Management System (MIMS) – U.S. Department of Energy as of April 15, 2008. Volume is in cubic feet.

CHART 3

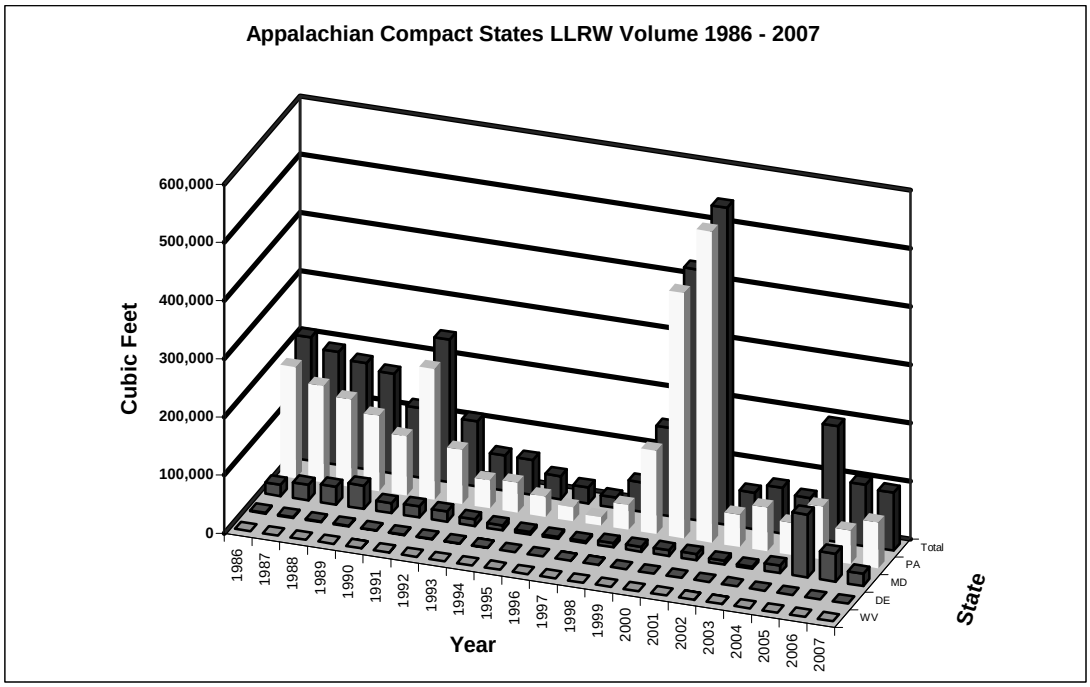


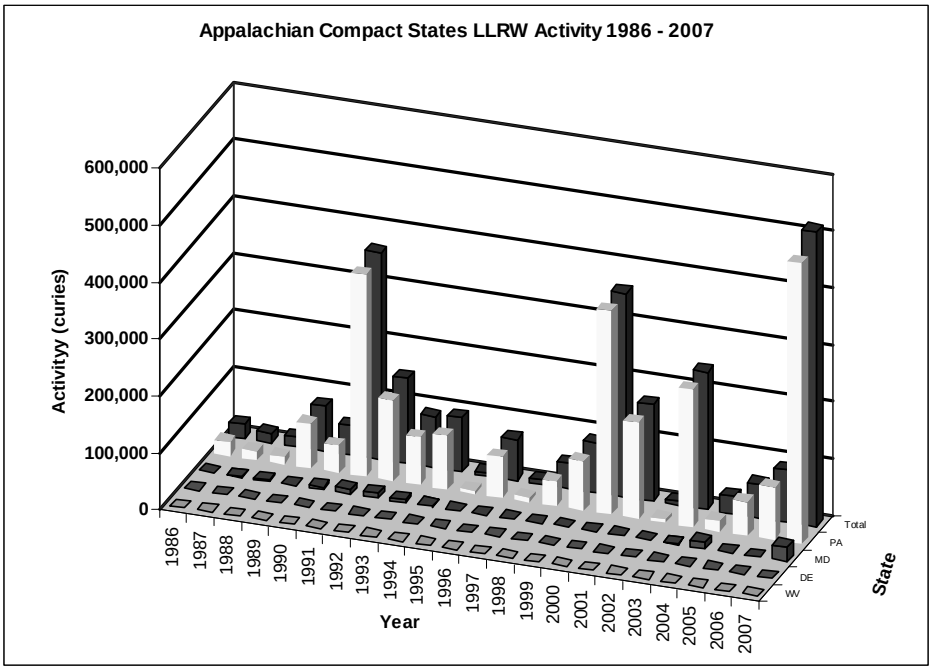
TABLE 4

Appalachian Compact LLRW Disposal Activity from 1986 - 2007

Year	WV	DE	MD	PA	Total
1986	12.9	4.1	492.2	24,737.5	25,246.6
1987	0.01	0.9	688.4	15,672.9	16,362.2
1988	3.2	1.8	3,009.7	13,310.9	16,325.7
1989	23.5	2.0	648.3	78,347.8	79,021.6
1990	0.2	0.4	4,725.1	47,305.7	52,031.3
1991	15.5	0.6	8,969.0	354,340.7	363,325.8
1992	30.7	0.9	8,419.9	141,251.8	149,703.3
1993	5.5	45.1	5,019.4	84,346.7	89,416.7
1994	0.5	69.3	1,439.7	93,729.6	95,239.0
1995	4.6	0.01	346.2	5,691.9	6,042.7
1996	0.1	5.6	349.1	71,900.5	72,255.4
1997	0.03	1.3	198.5	8,017.9	8,217.7
1998	37.3	0.1	531.5	43,691.0	44,259.9
1999	0.5	0.1	1,335.7	86,618.0	87,954.3
2000	2.2	0.02	484.0	357,624.4	358,110.7
2001	0.03	0.03	903.3	168,919.6	169,822.9
2002	0.1	0.5	244.5	6,777.4	7,022.5
2003	0.2	24.7	166.3	241,649.8	241,840.9
2004	0.8	0.2	11,830.7	18,890.3	30,722.0
2005	0.7	31.3	156.8	58,786.2	58,974.9
2006	0.03	11.9	60.1	91,719.1	91,791.1
2007	0.16	12.9	25,304.7	492,579.3	517,897.0
Total 1986 to 2007	138.5	200.9	50,018.2	2,013,329.5	Grand Total 2,581,584.1

This data is from the Pennsylvania Department of Environmental Protection and the Manifest Information Management System (MIMS) – U.S. Department of Energy as of April 15, 2008. Activity is in curies.

CHART 4



Status of Regional Disposal Facility Siting Project

In August 1990, DEP signed a contract with Chem-Nuclear Systems, Inc. (CNSI), which later changed its name to Chem-Nuclear Systems, LLC (CNS), to site, design, construct, operate and eventually decommission the regional LLRW disposal facility. Under the contract, CNS would identify three potentially suitable sites in Pennsylvania. The Pennsylvania Environmental Quality Board would review the administrative record describing the three sites to ensure that the sites meet all regulatory requirements. Detailed on-site studies would be conducted by CNS at each of the three potentially suitable sites. CNS would submit a license application for the best site to DEP. The secretary of DEP would make the final decision on the site selection.

Pennsylvania is committed to protecting the health and safety of its citizens, and its LLRW disposal facility would be designed and operated to protect the general public, facility workers and future generations by isolating the LLRW. It promulgated some of the most stringent regulations governing the management and disposal of LLRW in the nation. Pennsylvania regulations would also prevent problems experienced at other LLRW disposal sites. The following features would be included in site selection and facility design:

- The selected site for the facility would be free of disqualifying features such as areas containing floodplains, mines, limestone, gas, oil, sources of drinking water and agricultural security areas;
- The facility would be designed with a series of engineered barriers or layers of protection to prevent water from coming in contact with the waste and thus prevent the radionuclides from escaping the facility;
- The facility would accept only dry, solid LLRW in sturdy containers. These containers would be placed in thick concrete overpacks that act as the first barrier;
- Filled overpacks would then be placed inside large, thick-walled, reinforced, concrete structures called disposal units, which provide the second barrier;
- The third barrier would be a multi-layered, engineered cover constructed over the disposal unit. It would be gently sloped to divert water away from the disposal units; and
- A comprehensive monitoring system would be installed at and beyond the facility boundaries to detect leakage or escape of radioactive material from the disposal units.

DEP approved CNS's Phase I Siting Plan in August 1991. The siting plan described the process to identify three of the best potentially suitable sites for the facility. The first of a three-stage process of applying disqualification criteria to land areas in Pennsylvania was completed in November 1991. Approximately 23 percent of the state was disqualified. A series of 14 public meetings was held at seven locations across Pennsylvania during November and December 1991 to present the results of the stage one screening process, answer questions from the public and solicit their comments concerning the siting process.

In January 1993, CNS issued its Stage Two Regional Disqualification Map. This map eliminated approximately 46 percent of Pennsylvania from further consideration as a potential site. During stage two, CNS applied nine new disqualifying features including active faults, lands protected by the Wild and Scenic Rivers Program, designated natural and wild areas, oil and gas well fields, various types of mines and county parks. In addition, CNS reviewed and updated disqualifying information that had

been first applied during stage one. CNS held 16 public meetings plus numerous other meetings between February and May 1993 to present the data and solicit comments from the public.

DEP also issued its rebuttable presumption regulations, which state that the regional facility operator is liable and responsible for all damages and radioactive contamination within three miles of the boundary of the regional facility unless it can prove the facility is not responsible for the damage and radioactive contamination. It also began development of permitting regulations, which all generators would have to comply with before being allowed to use the disposal facility.

CNS released its Stage Three Disqualification Map in May 1994. At this stage, CNS disqualified additional land using 18 new disqualifying features such as public water supplies, river floodplains, active faults, important wetlands, municipal parks and agricultural security areas. At stage three, about 78 percent of the land area in Pennsylvania had been disqualified.

DEP approved CNS's Evaluation Screening Manual in August 1994. This manual was to be used to conduct a more subjective evaluation of the remaining 22 percent of the eligible land leading to the selection of the three potentially suitable sites in the commonwealth.

At the request of the Pennsylvania House of Representatives, the Legislative Budget and Finance Committee conducted an audit of the siting project to determine how funds for the project had been spent. The report, entitled *Status Report on Siting a Regional Low-Level Radioactive Waste Disposal Facility in Pennsylvania,* provided an excellent summary of the work completed through May 1995. It also explained how funds were spent and why the project was behind schedule and over budget.

In July 1995, DEP announced that it would pursue a different approach for siting the regional LLRW disposal facility. It decided that the best way to allay the fears that many people had about the LLRW disposal facility was to let them decide for themselves what risk was acceptable. A community partnering plan was therefore announced to allow the municipalities to study the risks and benefits associated with the disposal facility. After weighing the risks and benefits, municipalities in non-disqualified or eligible areas could volunteer to host the disposal facility. DEP emphasized that a volunteer site would have to meet the same stringent criteria for protecting people and the environment as a site chosen through the screening process.

In August 1995, CNS and DEP met with experts on voluntary siting and community partnering and drafted the community partnering principles. Comments on the principles were obtained from the CNS and DEP advisory committees and leaders of business, labor, environmental, sportsmen, agricultural, professional, religious, civic and medical groups. Based on these comments and recommendations, CNS revised the principles and wrote a draft plan for comments from elected officials, local leaders and other interested citizens. At DEP's request, CNS also conducted eight workshops across the Commonwealth to seek additional comments and recommendations to improve the draft plan. CNS received more than 1,600 comments and suggestions, most of which were incorporated into the final community partnering plan. The community partnering plan was unveiled March 1, 1996.

DEP and CNS conducted nine open houses across the commonwealth during May 1996 to explain the new community partnering plan and to provide information on the LLRW disposal facility.

Detailed maps of the eligible areas provided local residents with specific information about their communities. Representatives from DEP, CNS, Appalachian States LLRW Commission, Pennsylvania State Association of Township Supervisors (PSATS), Penn State's Public Education on Low-Level Radiation and Appalachian Compact Users of Radioactive Isotopes (ACURI) were available to answer questions and provide more information.

The community partnering plan required CNS to meet with individuals and groups representing townships, counties, economic development planners, sportsmen and various LLRW generators. These efforts were directed towards encouraging municipalities to consider the benefits and risks associated with the LLRW disposal facility. Between March 1996 and May 1998, CNS staff traveled more than 93,000 miles statewide to participate in more than 340 outreach meetings involving more than 3,200 individuals. While interest was expressed in several areas of the state, no community formally notified CNS of its interest in becoming a volunteer.

In December 1998, DEP officially suspended the LLRW disposal facility siting project. The reasons for suspending the siting process included the dramatic reduction in the amount of LLRW being generated in the Appalachian Compact and the current availability of out-of-state disposal capacity. Other states and compacts have taken similar actions for the same reasons. Although the siting process has been suspended, the commission has established a restart fund of $200,000 for the purpose of reestablishing the commission's office and staff should the need arise to restart the siting process.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

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INDEPENDENT AUDITORS' REPORT

Commission Members
Appalachian States Low-Level
Radioactive Waste Commission
Harrisburg, Pennsylvania

We have audited the accompanying financial statements of the governmental activities and each major fund of Appalachian States Low-Level Radioactive Waste Commission as of and for the years ended June 30, 2008 and 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Appalachian States Low-Level Radioactive Waste Commission as of June 30, 2008 and 2007 and the results of its activities for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 15, 2008 on our consideration of Appalachian States Low-Level Radioactive Waste Commission's compliance and internal control over financial reporting and on compliance and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Management's discussion and analysis on pages MDA - 1 through MDA - 2 and budgetary comparison information on page RSI - 1 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Greenawalt & Company, P.C.
GREENAWALT & COMPANY, P.C.

August 15, 2008

Mechanicsburg, Pennsylvania

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

The General Assembly of the Commonwealth of Pennsylvania created the Appalachian States Low-Level Radioactive Waste Commission (Commission) by enacting the Appalachian States Low-Level Radioactive Waste Compact Act, 1985-120. Under the authority of this act, the states of Delaware, Maryland, West Virginia and the Commonwealth of Pennsylvania formed a compact to provide for the regional management and disposal of Low-Level Radioactive Waste (LLRW). Congress consented to the Appalachian States Low-Level Radioactive Waste Compact in 1988.

The Commission consists of ten members; four members from Pennsylvania and two members from each of the other party states of Maryland, Delaware and West Virginia. The Commission members are appointed according to the laws of each party state. Each party state determined the length of term for which its Members and Alternates are appointed.

The Commission provides for representation of the compact party states throughout the siting process and LLRW disposal facility development and operations. Pennsylvania has been designated as the initial host state for the regional LLRW disposal facility because it generates the largest amount of LLRW in the compact.

In December of 1998, the Pennsylvania Department of Environmental Protection (DEP) suspended the LLRW siting process due to the current availability of out-of-state LLRW disposal facilities and the diminished volume of LLRW that would have been disposed of at the regional LLRW disposal facility in Pennsylvania. As a result, the Commission amended certain provisions of its bylaws to facilitate its continued operations without a business office and transferred the duties and responsibilities of the executive director to the chairman of the Commission, the Secretary of DEP. The Vice Chairman, the Secretary of the Maryland Department of Environment, act as secretary and treasurer of the Commission.

The Commission continues to incur certain expenditures, which are included in the Commission's budget. The budget is reviewed and approved by the Commission at its annual meeting. The Commission's annual expenditures presently exceed its annual interest income from the Operating fund. The Operating Fund accounts for the general operations of the Commission and is managed by the Pennsylvania Department of Treasury's INVEST Program. At the current level of expenditures, the Operating Fund would be adequate to provide for continued funding of the Commission's expenditures for a relatively long period of time. As of June 30, 2008 the Operating Fund had a balance of approximately $375,000. The Commission's actual expenditures for this period were approximately $25,000.

The Commission's annual budget is not expected to vary significantly in the foreseeable future. However, the interest income from the INVEST Program may vary due to economic conditions.

Article II of act 1985-120 allows the Commission to collect fees from the four compact party states for the purpose of continuing its duties and responsibilities. The Act requires that the payments by the party states be made directly to the Commission in quarterly installments during the fiscal year. In 1998, the Commission decided to suspend the collection of the fees due to the suspension of the LLRW siting process and the subsequent closure of its business office. However, the option continues to be available to the Commission should the need arise.

The Commission has appropriated a portion of its Operating Fund's fund balance in the amount of $200,000 in order to re-establish its business office expeditiously in the event the project would restart. It is unlikely that a restart of the siting process would occur in the foreseeable future as LLRW generators in the Appalachian Compact continue to have access to out-of-state disposal facilities. If the circumstances change, the Commission in conjunction with the host state of Pennsylvania may need to consider options for providing LLRW generators with access to a disposal facility. Those options may include, but are not limited to, restarting the siting process or providing for LLRW disposal capacity through contractual arrangements with other sites, states, or compacts.

The Commission is not presently involved in any litigation that would have a material adverse effect on the financial position of the Commission. Also, the Commission is tax exempt under the Internal Revenue Code and, accordingly, there is no provision for income taxes in the Commissions' financial statements.

As required by Article II of Act 1985-120 and Article VIII of the Commission Bylaws, the Commission prepares and publishes an annual report. The report summarizes the activities of the Commission during the preceding fiscal year, and includes the Independent auditors' Report of the Commission's financial statements.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

STATEMENTS OF NET ASSETS
JUNE 30, 2008 AND 2007

	2008	2007
Assets		
Cash	$ 10,380	$ 19,039
Investments	1,041,084	1,018,892
Total assets	$ 1,051,464	$ 1,037,931
Liabilities	$ -	$ -
Net assets		
Unappropriated	10,380	19,039
Appropriated	364,901	367,321
Restricted	676,183	651,571
Total net assets	1,051,464	1,037,931
Total liabilities and net assets	$ 1,051,464	$ 1,037,931

The accompanying notes are an integral part of these financial statements.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Direct expenses		
Legal services	$ 10,000	$ 10,000
Membership fee	7,500	7,500
Meeting expenses	1,674	1,434
Audit	2,070	1,950
Travel	2,528	4,064
Bank fees	(95)	481
Office supplies	227	-
Insurance	200	200
Advertising	586	1,164
	24,690	26,793
Revenue - Investment earnings	38,223	52,599
Change in net assets	13,533	25,806
Net assets - beginning of the year	1,037,931	1,012,125
Net assets - end of the year	$ 1,051,464	$ 1,037,931

The accompanying notes are an integral part of these financial statements.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	Operating Fund	Surcharge Fund	Total
Revenue - Interest	$ 13,611	$ 24,612	$ 38,223
Expenditures			
Legal services	10,000	-	10,000
Membership fee	7,500	-	7,500
Meeting expenses	1,674	-	1,674
Audit	2,070	-	2,070
Travel	2,528	-	2,528
Bank fees	(95)	-	(95)
Office supplies	227	-	227
Insurance	200	-	200
Advertising	586	-	586
	24,690	-	24,690
Excess (deficiency) of revenues over expenditures	(11,079)	24,612	13,533
Fund balance - beginning of the year	386,360	651,571	1,037,931
Fund balance - ending of the year	$ 375,281	$ 676,183	$ 1,051,464

The accompanying notes are an integral part of these financial statements.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Cont'd.)
YEAR ENDED JUNE 30, 2007

	Operating Fund	Surcharge Fund	Total
Revenue - Interest	$ 19,674	$ 32,925	$ 52,599
Expenditures			
Legal services	10,000	-	10,000
Membership fee	7,500	-	7,500
Meeting expenses	1,434	-	1,434
Audit	1,950	-	1,950
Travel	4,064	-	4,064
Bank fees	481	-	481
Office supplies	-	-	-
Insurance	200	-	200
Advertising	1,164	-	1,164
	26,793	-	26,793
Excess (deficiency) of revenues over expenditures	(7,119)	32,925	25,806
Fund balance - beginning of the year	393,479	618,646	1,012,125
Fund balance - ending of the year	$ 386,360	$ 651,571	$ 1,037,931

The accompanying notes are an integral part of these financial statements.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 AND 2007

REPORTING ENTITY

The Appalachian States Low-Level Radioactive Waste Commission was established to meet state responsibilities outlined in the federal Low-Level Radioactive Waste Policy Act of 1980 (P.L. 96-573) and the Low-Level Radioactive Waste Policy Amendments Act of 1985 (P.L. 99-240).

The reporting entity consists of all funds over which the Commission exercises oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters and scope of public service. The Commission is not a component unit of any of the Party States and is not included in any of the Party State's financial statements. Additionally, no other component units exist.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

Entity-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses are offset by revenues.

Fund financial statements are also presented to show revenues and expenditures of each fund.

Fund accounting

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Commission has the following funds:

Operating Fund - This fund accounts for the general operations of the Commission.

Surcharge Fund - This fund accounts for the surcharge payments received by the Commission.

Surcharge payments

Surcharge payments came from a disposal surcharge levied by the Federal government on generators of low-level waste. This surcharge was mandated by the 1985 Low-Level Radioactive Waste Policy Amendments Act. The surcharge was to serve as an incentive to regions and states to meet federally set milestones in the development of their own disposal facilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Income tax

The Commission is exempt under the Internal Revenue Code and, accordingly, there is no provision for income taxes in the accompanying financial statements.

CASH AND INVESTMENTS

All of the Commission's cash deposits are FDIC insured up to $ 100,000. The Commission does not have a formal policy regarding cash deposits.

All of the Commission's investments are with the Pennsylvania Treasurer's INVEST Program. These amounts are invested directly in a Portfolio of securities which are held by third-party custodians. Since the INVEST Program acts in a fiduciary capacity for the Commission and recognizes the Commission as the pledgee of the collateral securities, these investments are considered to be held by the third-party custodians in the Commission's name.

APPROPRIATED NET ASSETS

The Commission has appropriated a portion of June 30 net assets as follows:

	2008	2007
Legal	$ 10,000	$ 10,000
Fiscal stabilization	154,901	157,321
Restart	200,000	200,000
	$ 364,901	$ 367,321

LEGAL SERVICES

Legal services are primarily to assist the Commission in fulfilling its activity as disclosed in the Reporting Entity Note. In the opinion of management, the Commission is not involved in any litigation that would have a material adverse effect on the financial position of the Commission.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMMISSION

BUDGETARY COMPARISON INFORMATION - OPERATING FUND
YEAR ENDED JUNE 30, 2008

	Actual	Original Budget	Variance Over (under) Budget
Revenue			
Interest	$ 13,611	$ 20,000	$ (6,389)
Expenditures			
Legal services	10,000	10,000	-
Membership fee	7,500	7,500	-
Meeting expenses	1,674	1,500	174
Audit	2,070	2,000	70
Travel	2,528	5,000	(2,472)
Bank fees	(95)	-	(95)
Office supplies	227	-	227
Insurance	200	200	-
Advertising	586	1,500	(914)
	24,690	27,700	(3,010)
Excess (deficiency) of revenues over expenditures	$ (11,079)	$ (7,700)	$ (3,379)

The accompanying notes are an integral part of these financial statements.

For more information,
visit DEP's Web site at www.depweb.state.pa.us,
keyword: Radiation Protection

or

Contact the Bureau of Radiation Protection at: 717-787-2480

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