

2015 Questions
Sunset Public Hearing Questions for
**SOUTHEAST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE
COMPACT & COMMISSION**

Created by Section 68-202-701, *Tennessee Code Annotated*
(Sunset termination June 2016)

1. Provide a brief introduction to the compact and the commission, including information about its purpose, statutory duties, staff, and administrative attachment. Describe the types of facilities with which the compact is concerned.

BACKGROUND

In 1980, Congress passed the Low-Level Radioactive Waste Policy Act (the Act), which provided for a new approach to the disposal of low-level radioactive waste (LLRW) in the United States. It assigned each state responsibility for the disposal of low-level radioactive waste generated within its borders and authorized states to enter into compact region for the purpose of operating regional disposal facilities. The Act also authorized compacts with existing disposal sites in Nevada, South Carolina, and Washington to stop accepting waste outside of those compact regions after a sufficient period of time had elapsed for the development of new disposal facilities in other compact regions.

To meet their obligations under the Act, Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee and Virginia formed the Southeast Interstate Low-Level Radioactive Waste Management Compact (the Compact) in 1983. The number of states in the Compact changed to seven with the withdrawal of South Carolina in 1995, and to six with the withdrawal of North Carolina in 1999. The compact concept offers the significant advantage of rotating responsibility for the region's LLRW and maximizing efficient use of available resources to protect public health and the environment.

THE COMMISSION

The Commission oversees the administration and implementation of the Compact agreement. The Commission has three standing committees that make recommendations to the full Commission, which has final authority for all policy decisions. All Commission and committee meetings are open to the public.

The Administrative Committee recommends fiscal policies, including the annual budget, analyzes and recommends proposed amendments to the Commission bylaws, and deals with all legal and administrative matters affecting the Commission.

The Policy and Planning Committee develops and recommends long-term Commission goals and the policies, procedures, and activities necessary to implement those goals, including the export of LLRW from the Southeast Compact, the identification of host states, and public awareness and involvement in Commission activities.

The Sanctions Committee advises the Commission on policies and procedures for

establishing and enforcing sanctions for violations of compact law.

Subcommittees are appointed to handle short-term projects and report back to the main committee, and technical advisors are called upon as needed.

Commission activities are supported by two full-time staff members.

MISSION OF THE SOUTHEAST COMPACT COMMISSION

To ensure that adequate, reliable, and appropriate services are available, now and in the foreseeable future, such that low-level radioactive waste generated in the Southeast Region can be safely managed in an efficient, equitable, economical, and environmentally responsible manner in order that each party state may meet its responsibility for providing for the availability of capacity either within or outside the State for disposal of low-level radioactive waste, including treatment and processing, storage, and disposal of low-level radioactive waste generated within its borders (Article 1, PL 99-240).

The Commission is concerned with all facilities related to the management of low-level radioactive waste, including treatment and processing, storage, and disposal.

2. List the states that are currently parties to the compact and the dates of their entry.

Alabama (1983), Florida (1983), Georgia (1983), Mississippi (1983), Tennessee (1983), Virginia (1983)

3. Provide a list of current commission members and describe how members are appointed and their terms of office. If Tennessee members have alternates, please provide their names and titles also.

Tennessee Commissioners are:

Michael H. Mobley, Commissioner and Chair of the Commission

Debra G. Shults, Alternate Commissioner and Vice Chair of the Commission

They are appointed by the Governor and they serve until a replacement is named.

A roster of all Commissioners is attached. All Commissioners are appointed by the Governor of their state, but rules for appointment and terms of office vary slightly from state to state.

4. What per diem or travel reimbursement do members receive? How much was paid to commission members during fiscal years 2013 and 2014 and to date in fiscal year 2015? Were any other expenses charged to the commission?

Members are reimbursed for travel to meetings of the Commission and to other meetings pertaining to the topic of low-level radioactive waste, as necessary and appropriate. Mileage and meals are reimbursed at the federal rate. Hotels and other incidentals are reimbursed in actual amounts with receipts.

The Commission paid the following for Mr. Mobley's Commission meeting expenses in fiscal years 2012-13 - \$2076.64, 2013-14 - \$4451.93, and 2014-15 YTD - \$434.76. The Commission paid the following for other travel expenses for Mr. Mobley in fiscal years 2012-13 - \$6068.89, 2013-14 - \$4412.84 and 2014-15 YTD - \$1336.17.

The Commission paid the following for Ms. Shults' Commission meeting expenses in fiscal years 2012-13 - \$1607.81, 2013-14 - \$3981.44, and 2014-15 YTD - \$332.20. The Commission paid the following for other travel expenses for Ms. Shults in fiscal years 2012-13 - \$2667.96, 2013-14 - \$291.66 and 2014-15 YTD - \$1871.07.

5. How many times has the commission met during fiscal years 2013 and 2014 and to date in fiscal year 2015, and how many members were present at each meeting? How many of Tennessee's representatives were present each time?

<i>2012-13</i>	<i>2 Meetings</i>	<i>02/08/13</i>	<i>9 in attendance</i>	<i>2 from Tennessee</i>
		<i>06/14/13</i>	<i>13 in attendance</i>	<i>2 from Tennessee</i>
<i>2013-14</i>	<i>3 Meetings</i>	<i>12/03/13</i>	<i>8 in attendance</i>	<i>2 from Tennessee</i>
		<i>02/14/15</i>	<i>10 in attendance</i>	<i>1 from Tennessee</i>
		<i>06/10/14</i>	<i>11 in attendance</i>	<i>2 from Tennessee</i>
<i>2014-15</i>	<i>Meeting scheduled for 6/23/15</i>			

6. What were the commission's revenues (by source) and expenditures (by object) for fiscal years 2013 and 2014 and to date in fiscal year 2015? How is the cost of the compact and commission allocated to member states? Have the receipts and disbursements been audited annually, with the results included in the commission's annual report, as required by Article IV(i) of the compact?

See attached Annual Report, which includes the annual audit for the fiscal years ended June 30, 2013 and June 30, 2014. The Commission recorded revenues of \$491,000 and expenses of \$346,000 YTD for the 2014-15 fiscal year. In recent years, the Commission has been able to operate its budget based on the interest on its fund balance. No costs are allocated to member states. The Commission's fund balance is from fees paid by LLRW generators located outside the Southeast Compact region for disposal at Barnwell, South Carolina between 1-1-93 and 6-30-94 and past interest earned.

7. Does the commission submit an annual report to the governors and to the presiding officer of each body of the legislature of each party state as required by Article IV(e)(3) of the compact? If so, please attach a copy of the most recent report. What other reports does the commission prepare on its operations, activities, and accomplishments, and who receives these reports?

The Annual Report is prepared and sent to the parties listed above as required. The annual report for 2013-14 is attached. There are no additional routine reports.

8. Does the commission have a web site? If so, please provide its web address. What kind of public information is provided on the site?

www.secompact.org *The website contains current news about the Compact and the industry, roster of Commission membership, minutes and other documents, and links to other resources.*

9. To what extent and in what ways is the public informed and involved in commission discussions and decisions? What forum is provided for public comment?

Mailing lists and email lists are maintained in the Commission office. The general public, generators and other interested parties are notified of Commission meeting via email and the Commission website. Commission meetings are open to the public, and the public is encouraged to attend and comment at appropriately scheduled times on each agenda.

10. Does the commission keep minutes of its meetings? Who keeps the official minutes and how are the minutes made accessible to the public in each participating state?

Yes. The minutes are kept in the Commission office and posted on the Commission's website.

11. Describe the nature and extent of commission activities for fiscal years 2013 and 2014 and any major accomplishments. Have any advisory committees been established by the commission as authorized by Article IV(f) of the compact?

The Commission monitored the activities of other regional compacts and member states to protect the interests of the Compact members; worked to secure additional disposal opportunities for regional generators, and worked to maintain unrestricted access for Southeast generators to storage and treatment facilities nationally. Please see the attached Annual Report. There are no Advisory Committees at this time.

12. Through the compact, the participating states agreed to provide sufficient facilities for the proper management of low-level radioactive waste generated in the region, limit the number of such facilities required, encourage the reduction of the amounts of low-level waste generated, and distribute the costs, benefits, and obligations of such management equitably among the participating states. Activities were to promote the region's health and safety and to ensure the ecological and economical management of low-level radioactive wastes. To what extent has the compact accomplished these goals?

The Commission has succeeded through negotiations and other activities in providing almost continuous access to sufficient facilities for the proper management of most LLRW (by volume) generated in the region, limiting the number of such facilities required, encouraging the reduction of the amounts of LLRW generated, and distributing the costs, benefits, and obligations of such management equitably among the participating states. In doing so, the Commission has promoted the region's health and safety and the ecological and economical management of LLRW. The Commission continues to work in

cooperation with other states and regions to retain access to the existing facilities, to obtain access to proposed facilities, and to promote the flow of waste across state lines as appropriate.

13. Where in the region are facilities located for the treatment, storage, or disposal of low-level radioactive waste? How much low-level radioactive waste is generated in Tennessee per year? How does this compare with other participating states?

Treatment facilities are located in Alabama, Florida, and Tennessee. No commercial storage or disposal facilities exist in the region.

Data is not available for the amounts of LLRW generated in each state. Tennessee has similar generators to other states in the southeast region (nuclear power plants, industrial users, manufacturers, educational institutions, medical facilities, etc.) and thus generates similar wastes.

14. Section 68-202-706, *Tennessee Code Annotated*, provides that the Commissioner of the Department of Environment and Conservation is authorized to make inspections and examinations of radiation sources which are subject to the provisions of this section of the code. Describe the type, number, and frequency of inspections conducted by the commissioner under this authority. Have any civil penalties been assessed for violations under Section 68-202-707, *Tennessee Code Annotated*?

This section of the Code was added in 1993, as it was to the laws of the other member states, to enable the Department to conduct inspection and enforcement activities related to Compact sanctions. No inspections have been conducted under this section. No civil penalties have been assessed for violations under this section of the Code. The inspections and enforcement done by the Division of Radiological Health has been done under other authority.

15. How, if at all, has the advent of homeland security related activities changed the way in which the compact carries out its functions?

No change.

16. Describe any items related to the compact or to the compact that require legislative attention and your proposed legislative changes.

None at this time.

17. Should Tennessee's participation in the compact be continued? Why or why not?

The circumstances regarding facilities for the safe disposal of LLRW are continuously changing as operations close or open and states realign themselves into different compacts. Therefore, the activities of the Commission are needed on a continuous basis to assure ongoing access to adequate, economical waste management services for generators

of waste in Tennessee. Interruption or elimination of access to these services could be detrimental to the health and safety of Tennessee citizens and could be detrimental to industry in the state.

18. Has the commission developed and implemented quantitative performance measures for ensuring it is meeting its goals? (Please answer either yes or no). If the commission has developed and implemented quantitative performance measures, answer questions 19 through 26. If the commission has not developed quantitative performance measures, proceed directly to question 27.

No, the Commission has not developed and implemented quantitative performance measures for ensuring its goals are met.

19. What are your key performance measures for ensuring the commission is meeting its goals? Describe so that someone unfamiliar with the program can understand what you are trying to measure and why it is important to the operation of your program.

N/A

20. What aspect[s] of the program are you measuring?

N/A

21. Who collects relevant data and how is this data collected (e.g., what types information systems and/or software programs are used) and how often is the data collected? List the specific resources (e.g., report, other document, database, customer survey) of the raw data used for the performance measure.

N/A

22. How is the actual performance measure calculated? If a specific mathematical formula is used, provide it. If possible, provide the calculations and supporting documentation detailing your process for arriving at the actual performance measure.

N/A

23. Is the reported performance measure result a real number or an estimate? If an estimate, explain why it is necessary to use an estimate. If an estimate, is the performance measure result recalculated, revised, and formally reported once the data for an actual calculation is available?

N/A

24. Who reviews the performance measures and associated data/calculations? Describe any process to verify that the measure and calculations are appropriate and accurate.

N/A

25. Are there written procedures related to collecting the data or calculating and reviewing/verifying the performance measure? Provide copies of any procedures.

N/A

26. Describe any concerns about the commission's performance measures and any changes or improvements you think need to be made in the process.

N/A

27. Please list all commission programs or activities that receive federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.

The Commission does not receive federal financial assistance. Information regarding the Department of Environment and Conservation is provided below.

If the commission does receive federal assistance, please answer questions 28 through 35. If the commission does not receive federal assistance, proceed directly to question 34.

28. Does your commission prepare a Title VI plan? If yes, please provide a copy of the most recent plan.

TDEC has a Title VI Plan that is developed for an applicable to all TDEC programs.

29. Does your commission have a Title VI coordinator? If yes, please provide the Title VI coordinator's name and phone number and a brief description of his/her duties. If not, provide the name and phone number of the person responsible for dealing with Title VI issues.

TDEC has a Title VI Coordinator and Complaint Officer.

Coordinator: Costin Shamble (615-253-8337) - Facilitate Title VI compliance activities; review data and make recommendations of actions to enhance Title VI compliance; conduct Title VI training programs; compile Department's Title VI Implementation Plan; represent TDEC at meetings on Title VI.

Complaint Officer: Hoda Guirguis (615-253-3400) - Receives Title VI complaints; conducts an investigation of complaints; facilitates a remedy of Title VI concerns; makes recommendation(s) of actions needed to resolve complaints.

30. To which state or federal agency (if any) does your commission report concerning Title VI? Please describe the information your commission submits to the state or federal government and/or provide a copy of the most recent report submitted.

TDEC is required to submit an annual Title VI Implementation Plan to the Tennessee Human Rights Commission. Additionally, the Plan is submitted to and reviewed by the Title VI Legislative Sub-Committee of the State Legislature. A public hearing is conducted annually on the Plan. Disadvantaged business participation is submitted to the Environmental Protection Agency.

31. Describe your commission's actions to ensure that commission staff and clients/program participants understand the requirements of Title VI.

Internally within TDEC:

- ***Mandatory Civil Rights training of TDEC staff included Title VI***
- ***TDEC Title VI brochure distributed to Department staff***
- ***Periodic discussions with staff, Title VI related actions/activities***
- ***Staff participation in training programs offered by state and federal agencies***

External actions by TDEC:

- ***Participation in Community Title VI workshops and conferences***
- ***Contract language includes Title VI compliance***
- ***Posting of Civil Rights posters***
- ***Distribution of Title VI brochure***

32. Describe your commission's actions to ensure that commission staff and clients/program participants understand the requirements of Title VI.

Minority participation in TDEC programs and activities is reviewed by the Title VI Coordinator. Activities reviewed include: representation on boards, disadvantaged business participation, and public participation. Meetings with the Commissioner's staff are held to discuss minority participation issues at least quarterly.

33. Describe your commission's actions to ensure it is meeting Title VI requirements. Specifically, describe any commission monitoring or tracking activities related to Title VI, and how frequently these activities occur.

The following steps should be taken to file a Title VI complaint:

- ***It should be written and include your name, address and telephone number. Your complaint must be signed and filed within 180 calendar days of the alleged discriminatory act. If you are filing on behalf of another person, include your name, address, telephone number and your relation to that person (for example: friend, attorney, parent, etc.).***

•The name and address of the agency, institution or department you believe discriminated against you.

•How, why and when you believe you were discriminated against. As much background information as possible should be included about the alleged acts of discrimination. Include names of individuals who you allege discriminated against you, if you know them, as well as any other relevant information.

•The names of any persons, if known, that the investigating agency could contact for additional information to support or clarify your allegations.

•All complaints must be signed by the complainant.

•The complaint should be sent to the TDEC Title VI Complaint Officer, Hoda Guirguis, William R. Snodgrass TN Tower, 312 Rosa L. Parks Blvd., 10th Floor, Nashville, TN 37243. TDEC's toll free hotline (1-888-891-8332), accessible statewide, is maintained and available for complaints.

Upon receipt of the complaint, the Title VI staff will determine its jurisdiction, acceptability, and need for additional information, as well as investigate the merit of the complaint. If the complaint is filed by an internal party, TDEC does not have jurisdiction to hear such a complaint. Therefore, TDEC will forward internal complaints to the appropriate agency having jurisdiction to review the complaint. If TDEC has jurisdiction to investigate the issues raised, TDEC's Complaint Officer will investigate and adjudicate the complaint and notify parties of the final decision in writing. If the investigation indicates that a violation did not occur, the department will notify the parties of the final decision in writing.

If complainant is not satisfied with the results of the investigation of the alleged discrimination and practices the complainant will be advised of the right to appeal to EPA (or appropriate federal agency).

Complainants have the option to file a complaint with the appropriate Federal agency no later than 180 calendar days after the alleged discrimination occurred.

PLEASE NOTE: Title VI complaints alleging discrimination on the basis of race, color or national origin against any State of Tennessee department or agency (recipient) or sub-recipient receiving federal financial assistance may also be filed with the Tennessee Human Rights Commission("THRC"). For more information, please contact THRC via U.S. Postal Mail at William R. Snodgrass Tennessee Tower, 312 Rosa L Parks Ave, 23rd Floor, Nashville, TN 37243 or by phone at (615)741-5825 or toll free at 1(800) 251-3589.

Citizen suits remain an option in this process.

TDEC received one Title VI Complaint during fiscal years 2012-2013 and 2013-2014. The complaint was filed on August 26, 2014. The complainant filed a Title VI complaint against a TDEC sub-recipient utility company for not accepting his cash payment because of his color. Through interviews and document review, the TDEC investigator found that the sub-recipient's rule of not accepting cash payments was not a violation of Title VI of the Civil Rights Act of 1964. This decision was issued in September 2014.

34. Please describe the commission's procedures for handling Title VI complaints. Has your commission received any Title VI-related complaints during the past two years? If yes, please describe each complaint, how each complaint was investigated, and how each complaint was resolved (or, if not yet resolved, the complaint's current status).
35. Please provide a breakdown of current commission staff by title, ethnicity, and gender.

***Executive Director, Caucasian, Male
Director of Special Projects, Caucasian, Female***

36. Please list all commission contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.

The commission does not have any contracts.

SOUTHEAST COMPACT COMMISSION

ROSTER

FEBRUARY 2015

Chairman
Vice Chairman
Secretary-Treasurer
Executive Director

Michael Mobley, Tennessee
Debra Shults, Tennessee
Herbert Wheary, Virginia
Ted Buckner

COMMISSIONER

ALTERNATE

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COMMISSIONER

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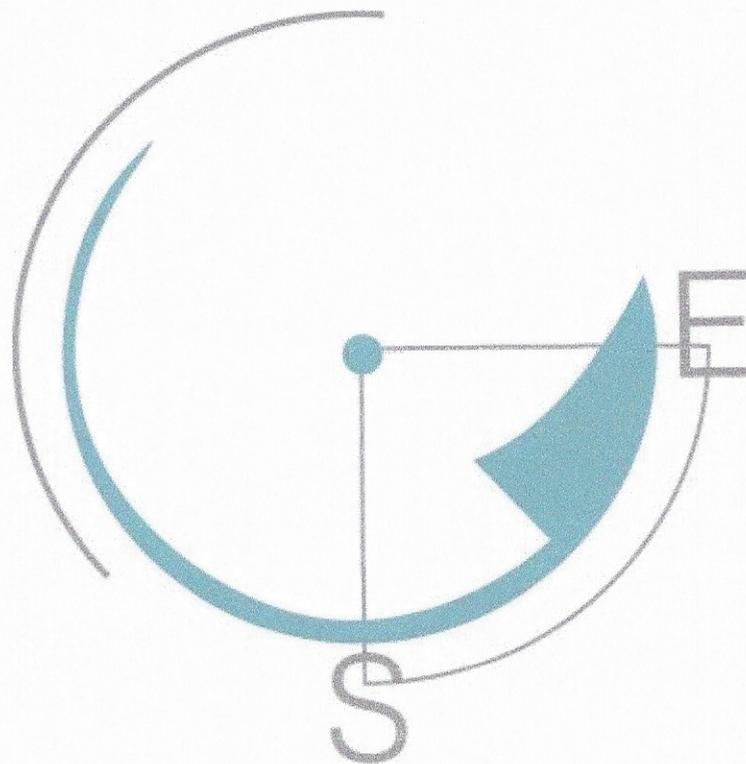
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**A Report to the Citizens of the Southeast
Interstate Compact Region on the Activities of
the Southeast Interstate Low-Level Radioactive
Waste Management Commission**

July 1, 2013-June 30, 2014



annual report

Southeast Compact Commission
for Low-Level Radioactive Waste Management

AL • FL • GA • MS • TN • VA

2013-2014: YEAR AT A GLANCE

COMMISSION ACTIVITIES

Access to Safe, Adequate Low-Level radioactive Waste Management

The Southeast Compact Commission (Commission) continued to allow Southeast generators to ship their low-level radioactive waste (LLRW) to the disposal facilities in Clive, Utah; Richland, Washington; and Andrews County, Texas without any restrictions or requirements for prior approval or fees. The Commission continued to monitor the activities of the Texas Low-Level Radioactive Waste Disposal Compact Commission and the Texas Legislature as related to access to the Andrews County disposal site.

Southeast generators also had unrestricted access to all storage and treatment facilities in the nation.

Additional LLRW Disposal Opportunities

The Commission worked to secure additional disposal options for regional generators to dispose of sealed sources through participation in the Disused Source Working Group (DSWG) of the Low-Level Radioactive Waste Forum, Inc. (LLW Forum). The DSWG released its report on the management and disposition of sealed sources in March 2014.

The Commission supported the disposal of certain Class A sealed sources during a license variance at the disposal facility in Clive, Utah operated by EnergySolutions. The Commission also encouraged regional generators to take advantage of the Source Collection and Threat Reduction Program (SCATR) administered by the Conference of Radiation Control Program Directors (CRCPD), which provides financial assistance for the collection, processing, and disposal of Class A sealed sources that are disposed at the Clive, Utah facility and Class B and Class C sealed sources that are disposed at the Texas Compact Facility operated by Waste Control Specialists in Andrews County, Texas.

Richard S. Hodes, M.D. Honor Lecture Award

The Commission selected the Electric Power Research Institute (EPRI) to receive the Richard S. Hodes, M.D. Honor Lecture Award for 2014. The Commission recognized EPRI for the significant role the organization plays in advancing LLRW management improvements in the United States. EPRI's leadership and innovative efforts in developing waste storage guidelines and providing site-specific support

for LLRW programs at nuclear power plants have enhanced public safety, as well as contributed to the efficient management of radioactive waste in the nation.

The Commission established the Hodes Award in memory of Richard S. Hodes, M.D. and his achievements in the field of LLRW management. Dr. Hodes was the chair of the Southeast Compact Commission from its inception in 1983 until his death in 2002.

Information regarding the Richard S. Hodes, M.D. Honor Lecture Award may be obtained by contacting the Commission by email, secc@secompact.org, or by visiting the Commission's website at www.secompact.org.

Directory of Brokers and Processors

The Commission maintains an Internet-based national directory of brokers, processors, and other companies that provide waste management services to LLRW generators. LLRW compacts, states, federal agencies, and users of radioactive materials may use the directory to obtain information about companies that package, transport, process, or otherwise manage radioactive material in preparation for ultimate disposal. The directory is provided to all as a free service and is located at www.bpdirectory.com.

Supporting the National Compact System

Commissioners and staff actively participated in meetings of the LLW Forum, conferences, and other events where national LLRW policy is debated and influenced.

The Commission monitored the rulemaking activities of the NRC, the U.S. Environmental Protection Agency (EPA), and other entities that impact the regulation of LLRW and submitted comments to those entities as appropriate. Those rulemaking activities included:

- The NRC Potential Revision of 10 CFR Part 61;
- The NRC Draft Branch Technical Position on Concentration Averaging;
- The NRC Waste Confidence Decision and Rule;
- The NRC Uniform Waste Manifest Changes; and
- The EPA Advance Notice of Proposed Rulemaking on alternatives for disposal of low-activity waste.

Financial Report

Fiscal Year 2013-2014

An audit of the books for FY 2013-14 was conducted by the firm of Walker Rodeniser & Welch LLP, Certified Public Accountants of Raleigh, North Carolina. The firm submitted the following statement dated November 11, 2014.

We have audited the accompanying statement of cash receipts and disbursements of the Southeast Compact Commission for Low-Level Radioactive Waste Management (an exempt organization) for the years ended June 30, 2014 and 2013, and the related notes to the statement of cash receipts and disbursements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Southeast Compact Commission for Low-Level Radioactive Waste Management for the years ended June 30, 2014 and 2013, in accordance with the basis of accounting described in Note 1.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH RECEIPTS:		
Interest income	\$ 545,854	\$ 566,358
Realized gain on investments	<u> -</u>	<u> 9,375</u>
<i>Total cash receipts</i>	<u>\$ 545,854</u>	<u>\$ 575,733</u>
CASH DISBURSEMENTS:		
Salaries	366,050	342,611
Travel	53,743	42,627
Fringe benefits	116,361	109,785
Insurance	19,267	28,135
Office expense	3,130	6,366
Occupancy expense	24,295	23,571
Professional services	23,830	22,006
Telephone	7,497	7,347
Hodes Award	203	951
Miscellaneous	<u> 570</u>	<u> 520</u>
<i>Total cash disbursements</i>	<u>\$ 614,946</u>	<u>\$ 583,919</u>
Increase (decrease) in cash, cash equivalents, and temporary investments	\$ (69,092)	\$ (8,186)
Cash, cash equivalents, and temporary investments - beginning of year	<u>\$ 20,969,654</u>	<u>\$ 20,977,840</u>
Cash, cash equivalents, and temporary investments - end of year	<u>\$ 20,900,562</u>	<u>\$ 20,969,654</u>

See accompanying notes to financial statements.

Notes to Financial Statements

For the Years Ended June 30, 2014 and 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - Southeast Compact Commission for Low-Level Radioactive Waste Management (the "Commission") is an organization responsible for the proper management of low-level radioactive waste in order to protect public health and the environment. The defined mission of the Commission is "to ensure that adequate, reliable, and appropriate services are available, now and in the foreseeable future, such that low-level radioactive waste generated in the Southeast Region can be safely managed in an efficient, equitable, economical, and environmentally responsible manner in order that each party state may meet its responsibility for providing for the availability of capacity either within or outside the State for disposal of low-level radioactive waste generated within its borders" (Article 1, PL 99-240). The Commission consists of appointees from the states of Alabama, Florida, Georgia, Mississippi, Tennessee, and Virginia.

Basis of Accounting - The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting. Under the cash receipts and disbursements basis, the Commission only records cash receipts and disbursements at the time of such transactions. The cash receipts and disbursements basis is a departure from generally accepted accounting principles primarily because the effects of accounts receivable uncollected, accounts payable, and accrued expenses unpaid at the date of the financial statements are not included in the financial statements. In addition, property and equipment are expensed when purchased rather than capitalized.

Income Tax - The Commission has been classified as an exempt organization by Congress under Public Law 99-240 and, therefore, is not subject to income tax.

(2) CONCENTRATIONS OF CREDIT RISK

The Commission maintains cash balances with financial institutions in North Carolina. Cash balances at the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the fiscal year, the Commission's cash balances may have exceeded the federally insured limit. At June 30, 2014 and 2013, cash balances were fully insured.

The Commission maintains accounts with an investment firm. The accounts contain cash and securities. Balances are insured by the Securities Investor Protection Corporation up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation for certain acts by the broker dealer.

(3) CASH, CASH EQUIVALENTS, AND TEMPORARY INVESTMENTS

Cash, cash equivalents, and temporary investments include checking and money market accounts, certificates of deposit, and callable securities of U.S. Treasury Bills and U.S. Agency Obligations purchased with maturities of one to five years. See Note 4.

Cash, cash equivalents, and temporary investments at June 30:

	2014	2013
Out-of-Region (60) Accounts:		
Cash and cash equivalents	\$ 209,825	\$ 561,791
Temporary investments	20,594,781	20,396,960
(see Note 4)		
Cash in bank accounts	<u>95,956</u>	<u>10,903</u>
	<u>\$20,900,562</u>	<u>\$20,969,654</u>

(4) TEMPORARY INVESTMENTS

Investments consist of certificates of deposit, U.S. Treasury Bills, U.S. Agency Obligations, foreign bonds, and corporate bonds recorded at cost. The fair market values of investments may fluctuate depending on changes in interest rates.

The Commission has an investment policy to guide investment making decisions by management. The policy states that the overall objective is to obtain as high a level of current income as is consistent with the preservation of capital and the level of liquidity necessary to approximately match expected cash flows. The funds can be invested in a combination of the following:

- Interest bearing demand deposits invested in U.S. Treasury Bills or other short-term U.S. Treasury securities.
- Bonds, notes, or other evidences of indebtedness that are direct obligations of the United States of America or that are unconditionally guaranteed both as to principal and interest by the United States of America.
- Bonds, notes, or other evidences of indebtedness that are obligations of agencies of the United States of America.
- Corporate bonds with at least a single "A" rating by either the Standard and Poor's rating agency or the Moody's rating agency. Investment in corporate bonds will be limited to 20 percent of the total par value of funds held by the Commission with no more than one percent of the total par value of the funds held by the Commission invested in any one issuer of corporate bonds. Should the rating by either Standard and Poor's or Moody's fall below a triple "B" rating, the Commission shall sell that investment.

A summary of the investment account at June 30, 2014 is as follows:

	Cost	Unrealized Gain (Loss)	Fair Market Value
U.S. Govt. Obligations	\$15,235,478	\$ (921,809)	\$14,313,669
Certificates of Deposit	3,279,000	(58,321)	3,220,679
Corporate Bonds	<u>2,080,303</u>	<u>(45,210)</u>	<u>2,035,093</u>
Total	<u>\$20,594,781</u>	<u>\$ (1,025,340)</u>	<u>\$19,569,441</u>

A summary of the investment account at June 30, 2013 is as follows:

	Cost	Unrealized Gain (Loss)	Fair Market Value
U.S. Govt. Obligations	\$14,309,657	\$ (1,019,782)	\$13,289,875
Certificates of Deposit	4,007,000	(12,754)	3,994,246
Corporate Bonds	<u>2,080,303</u>	<u>(106,769)</u>	<u>1,973,534</u>
Total	<u>\$20,396,960</u>	<u>\$ (1,139,305)</u>	<u>\$19,257,655</u>

These unrealized gains and losses would only be realized if the U.S. Government Obligations and Corporate Bonds were sold before their maturity date.

(5) FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Commission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Commission measures fair value using Level 1 and Level 2 inputs because they generally provide the most reliable evidence of fair value. No Level 3 inputs were used by the Commission.

Level 1 Fair Value Measurements:

The fair values of the Commission's investments are based on quoted market prices, when available.

Level 2 Fair Value Measurements:

Fair values are based on inputs other than quoted prices included within Level 1 that are observable for valuing the asset or liability either directly or indirectly. Observable inputs include quoted prices for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

Level 3 Fair Value Measurements:

Fair values are based on inputs other than quoted prices included within Level 1 that are unobservable and significant to the fair value measurements.

The assets listed below are measured at fair value on a recurring basis at June 30, 2014:

Fair Value Measurements Using:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
US Govt. Obligations	\$14,313,669	\$	\$14,313,669	\$
Certificates of Deposit	3,220,679		3,220,679	
Corporate Bonds	<u>2,035,093</u>		<u>2,035,093</u>	
Total	<u>\$19,569,441</u>	<u>\$ 0</u>	<u>\$19,569,441</u>	<u>\$ 0</u>

The assets listed below are measured at fair value on a recurring basis at June 30, 2013:

Fair Value Measurements Using:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
US Govt. Obligations	\$13,289,875	\$	\$13,289,875	\$
Certificates of Deposit	3,994,246		3,994,246	
Corporate Bonds	<u>1,973,534</u>		<u>1,973,534</u>	
Total	<u>\$19,257,655</u>	<u>\$ 0</u>	<u>\$19,257,655</u>	<u>\$ 0</u>

(6) RETIREMENT PLAN

All employees earning \$450 or more in a calendar year who meet certain age and length of service requirements are eligible to participate in the Commission's Simplified Employee Pension Plan. This qualified pension plan provides for contributions by the Commission at the rate of 25% of gross salary. Retirement contributions were \$86,098 and \$81,199 for the years ended June 30, 2014 and 2013, respectively.

(7) OPERATING LEASES

The Commission leases office space pursuant to a lease agreement with initial monthly rent of \$1,625, escalating at 2% per year. The lease expired in July 2014, at which time it was renewed with a one-year term at \$1,725 per month. There is a one-year renewal option at \$1,759 per month at August 2015.

Rental expense for office space and parking, included in occupancy expense on the statements of cash receipts and disbursements, for the years ended June 30, 2014 and 2013, was \$20,259 and \$19,863, respectively.

Future minimum lease payments related to the lease are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2015	20,664
2016	<u>-</u>
	<u>\$20,664</u>

(8) SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through November 11, 2014, the date the financial statements were available to be issued. No significant subsequent events have been identified by management.

Commission Website

The Commission maintains a website for use by commissioners, LLRW generators, and the public to keep them informed on current events and activities of the Commission as well as issues of national interest. The web page may be accessed at www.secompact.org.

Southeast Compact Commission Membership

JULY 1, 2013- JUNE 30, 2014

The Compact Commission is composed of two Commissioners and two Alternate Commissioners appointed from each member state.

Officers

Chairman Michael Mobley, TN
 Vice-Chairman Debra Shults, TN
 Secretary/Treasurer Herbert Wheary

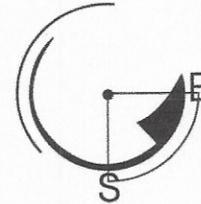
Staff

Executive Director Ted Buckner (As Of 4/14)
 Kathryn Haynes (7/84-4/14)

Director of Special Linda Walters
 Projects

Southeast Compact Commission

for Low-Level Radioactive Waste Management



For more information, please write or call

1230 SE Maynard Road, Suite 103 919/380-7780
 Cary, North Carolina 27603 919/380-7710 Fax
<http://www.secompact.org> secc@secompact.org

State	Commissioners	Alternate Commissioners
<i>Alabama</i>	James McNees (11/09-4/14) Karl David Walter (Appt. 4/14) Terri Adams	Karl Frost
<i>Florida</i>	John Lanza, M.D., Ph.D.	
<i>Georgia</i>	Kevin Clark Jac Capp (9/11-3/14)	Paul Burks Chuck Mueller
<i>Mississippi</i>	Terry Coggins Trudy Fisher	B.J. Smith (Appt. 4/14) Donna Hodges
<i>Tennessee</i>	Michael Mobley	Debra Shults
<i>Virginia</i>	John (Jack) Storton Steven Harrison (Appt. 4/14) Richard Weeks (11/02-4/14)	Herbert Wheary Les Foldesi

States Working for Responsible Waste Management