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RE: Compact Fee Petition

To the Compact Board of Directors and Compact Staff,

We are pleased to submit these comments in support of our Petition to reduce the Compact's surcharge from \$10.00 per ton to \$5.00 per ton based upon new unanticipated Compact-regulated waste streams and associated Compact surcharge revenues from management of Out-of Compact waste imports at the Compact's Designated facility the Deer Trail Landfill located on Highway 36 in Deer Trail, Colorado.

Clean Harbors Environmental Services, Inc was recently awarded a contract to transport and dispose low-level radioactive waste originating from Federally-funded remediation of abandoned uranium mine tailings waste disposed on Navajo Nation Lands in Cove, Arizona. This is the first of over 300 such projects that are being investigated and remediated under the Federal Superfund Program. The Cove Project is anticipated to generate between 65,000 to 125,000 tons of waste over a two-year period (2023-2025). Waste shipments to the Deer Trail Landfill initiated on August 24, 2023, and are assumed to continue over the next 24 months, barring any project disruptions.

Clean Harbors bid the Cove Project in April 2022 and incorporated the existing \$5.00 per ton Compact surcharge for Out-of-Compact imported waste designated for disposal at the Deer Trail Landfill in the bid submission. The bidding process was closed in May 2022 and subsequently no bid amendments were allowed. Clean Harbors was the lowest bidder and subsequently awarded the Cove Project Contract in July 2023.

In April 2023 the Compact Board authorized an increase in several fees to deal with Compact Budget shortfalls and subsequently increased the Out-of-Compact waste Importation surcharge to \$10.00 per ton. Their rationale for increasing fees was well-reasoned in that Compact regulated low-level radioactive waste receipts at the Deer Trail Facility were substantially lower than previous years and most of the waste disposed at the landfill was generated outside of the Compact Region which includes Colorado, New Mexico, and Nevada. However, no one could have predicted that the Biden Administration's USEPA was going to make investigation and remediation of abandoned uranium mine tailings waste principally on Navajo Nation Lands in the Western States a key priority under the Federal Environmental Justice and Superfund Programs. Funding from the Inflation Reduction Act was passed by Congress in early 2023 providing new funds to accelerate cleanup of contaminated Navajo Nation lands. Frankly, Clean Harbors did not anticipate that the project would be funded. Nonetheless, we submitted a very competitive bid and were awarded the project.

The Deer Trail Facility has already received and disposed of 16,000 tons of Cove Project Waste over a two-month period and has been advised by USEPA's contractor to expect to receive an additional 22,000 tons of waste for the remainder of 2023 assuming no project disruptions.

"People and Technology Creating a Safer, Cleaner Environment"



The Compact's operating budget had been constrained by a lack of regulated waste receipts from waste management activity at the Deer Trail Facility. Now that the Biden Administration has prioritized remediation of abandoned Uranium mine tailings at many sites principally in New Mexico and Arizona, the future looks very bright for Compact revenues. Based on our calculations, the Compact will be able to balance its budget in 2023 from Cove Project surcharge revenues alone. We have attached a spreadsheet detailing fees paid to the Compact in 2023 and its notable that the fees trajectory substantially increased in the August through October timeframe corresponding with initiation of the Cove Project.

Clean Harbors recognizes the importance of the Compact's Congressionally – mandated responsibilities as our Deer Trail Facility is an integral part of the Compact's regulatory framework. We play a key role supporting the Compact's budget by competitively bidding and winning low-level radioactive waste disposal projects like the Cove Project. To be successful, the Compact and its designated facility should strive to maintain a competitive fee structure that will allow the designated facility to compete in a very cost-conscious marketplace.

The future looks very bright for the Compact given the Federal Government's emphasis on cleanup of hundreds of abandoned uranium mine tailings disposal sites in a region that is geographically favorable for the Compact and its Designated Facility. The Compact can be assured that reducing the Out-of-State Waste Importation surcharge will have a positive impact on waste receipts at their designated facility which will translate into greater fee revenues for the Compact for the foreseeable future.

Sincerely,

A handwritten signature in blue ink that reads "Phillip G. Retallick". The signature is written in a cursive, flowing style.

Phillip G. Retallick
Special Counsel for Compliance and Regulatory Affairs
Clean Harbors Environmental Services, Inc

CC: Paul Bratti
Christopher Vidovich
Jay Adair
Timmery Fitzpatrick

Attachment: Compact Fee and Surcharge Disbursements to Compact (January-October 2023)

