

From: Michael Lozano PBPA <Michael@pbpa.info>
Sent: Wednesday, July 29, 2020 6:05 PM
To: Holtec-CISFEIS Resource
Subject: [External_Sender] Docket No. 72-1051; NRC-2018-0052
Attachments: PBPA Letter to NRC.pdf

Please see the attached letter from the Permian Basin Petroleum Association and feel free to let me know if you have any questions.

Best,

MDL

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July 21, 2020

Re: Docket ID NRC-2016-0231; Docket ID NRC-2018-0052

To Whom It May Concern:

The Permian Basin Petroleum Association (PBPA) respectfully submits this letter for consideration by the Nuclear Regulatory Commission to express our concerns and opposition to the siting of the Interim Storage Partners Consolidated Interim Storage Facility Project (Docket ID NRC-2016-0231) and the Holtec International HI-STORE Consolidated Interim Storage Facility Project (Docket ID NRC-2018-0052) (collectively referred to herein as “facilities”), both within the Permian Basin of Texas and New Mexico. The PBPA takes the position that the Draft Environmental Impact Statements (Draft EIS) are inadequate as to the risk the facilities pose to impacts on the Permian Basin which is the most active, thriving and prolific oilfield in the United States.

The PBPA was founded in 1961 to advocate for the safe and responsible development of our nation's natural resources in the Permian Basin and we represents the interests of our local oil and gas operators in Texas, New Mexico, and Washington, D.C. Today we write you to defend that founding principle. While the PBPA fully supports an all-of-the above energy strategy for America, including nuclear energy, we have grave concerns that the siting of these facilities will jeopardize energy production. Our concerns with the proposals are not the generation of nuclear energy or the operations of current facilities in either state, but that the risk of the country's continued energy independence has not been adequately weighed against these projects to include the investment which substantially contributes to the Texas and New Mexico economic security and workforce development and retention.

The following information from the Texas Taxpayers and Research Association's report *“The Permian Basin: Enriching Texas,”* highlights the region's prominence in both oilfield production and state economic contributions. The Permian Basin comprises 26 percent of Texas' land area and is home to one of the thickest deposits of rock from the Permian Period (251 to 299 million years ago). It contains numerous oil and gas producing formations. In April 2019, Forbes Magazine named it the “World's Top Oil Producer,” replacing Saudi Arabia's Ghawar oilfield. With about 40,000 active oil and gas wells in New Mexico's portion of the Permian Basin and more than 250,000 in Texas' portion, the impact of the oil and gas sector is vast. **And it is proven.**

In 2019 in Texas alone, the Permian Basin was responsible for \$9 billion in severance taxes and royalties paid to the state to utilize widely in basic functions of government – that amounted to \$312 for every man, woman, and child in the state, or the equivalent of \$937 for a family of three. Absent

this revenue, the average Texan would either have had to accept a lower amount of services from state and local governments or would have had to pay that much more in taxes. In New Mexico, conservative estimates show that nearly 40% of all state revenue is generated directly from oil and gas production taxes. There is simply no way to over emphasize the importance of this region.

Our members firmly believe that authorizing these facilities would threaten the real value of the region through mineral extraction in order to establish an enterprise that has never been attempted, would warrant a greater and more thorough evaluation. For example, in New Mexico, much of the proposed siting would threaten already executed legal contracts for operators who, in good faith, invested in leasing the area for mineral exploration and development for oil and gas production. The Draft EIS does not consider mineral rights which are paramount to the success of an oilfield. The dismissal or negligent overlooking of these contracted agreements between government parties and private operators is a dangerous precedent that would never have the PBPA's support or hold up in a court of law.

Further, the concept of *interim storage* also concerns our members greatly. While we recognize the concerns of current spent nuclear fuel storage at reactor sites, that issue better begs the immediate approval of a permanent disposal facility, like was envisioned at Yucca Mountain, not moving the spent nuclear fuel twice – once to a consolidated interim storage facility and then again for final disposition. Without knowing the length of the timeline being considered as "*interim*" and the question of solvency for the private operators of these sites, our members firmly oppose the current license applications in Andrews County, Texas, and Eddy-Lea County, New Mexico.

We greatly appreciate your review of our comments and look forward to working with you to ensure that the Permian Basin remains America's Oilfield.

Sincerely,
[s]
Ben Shepperd
President