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DOMENICI WINS EFFORT TO BLOCK STATE BONDING  
REQUIREMENT ON FEDERAL PROJECT

**Amendment Protects WIPP Impact Funding Paid to New Mexico**

WASHINGTON -- U.S. Senator Pete Domenici today succeeded in a gaining approval of a legislative effort that will ensure New Mexico continues to receive federal funding for hosting the Waste Isolation Pilot Plant (WIPP), but also restrict the state from imposing a bonding requirement on this major federal project.

Domenici, as part of a congressional and White House negotiating team, agreed to add his amendment on bonding requirements to an omnibus appropriations package that is set to be given final approval from both houses of Congress this week.

"I believe this amendment puts the federal government and the state where they need to be. We continue to reiterate the federal government's statutory responsibility to the operation, maintenance and eventual closure of WIPP. This commitment, backed by the full faith and credit of the federal government, should rightly supercede the state's bonding requirement," Domenici said.

"I hope this clears up matters and alleviates concerns that work on WIPP transport routes in New Mexico will have to be delayed," he said.

The Domenici amendment prohibits states from imposing bonding requirements on federal projects associated with "any waste management facility" associated with transuranic wastes. This would negate the bonding requirement recently issued by the state of New Mexico. On Oct. 28, the New Mexico Environment Department issued a hazardous waste permit to allow WIPP to begin receiving shipments of transuranic waste that also contain chemicals. The permit required WIPP operators to obtain "financial assurance" bonds to cover the costs of eventually closing the repository near Carlsbad.

Domenici has asserted that the "financial assurance" requirement is unnecessary because the federal government's responsibilities toward the safe maintenance, operation and closure of WIPP is outlined in the 1992 WIPP Land Withdrawal Act.

Overriding the state bonding requirement also works to nullify authority given to the Department of Energy to cover the bonding cost by using impact assistance aid given annually to New Mexico for hosting WIPP.

Since 1996, New Mexico has received \$20 million annually in impact assistance for WIPP-related preparations, including bypass and highway construction and emergency preparedness activities.

The following is the language agreed upon by negotiators: "*Sec. \_\_\_\_ . Exemption for Waste Management Facilities Owned or Operated by the United States. No form of financial responsibility requirement shall be imposed on the Federal Government or its contractors as to the operation of any waste management facility which is designed to manage transuranic waste material as is owned or operated by a department, agency, or instrumentality of the executive branch of the Federal Government and subject to regulation by the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) or by a State program authorized under that Act.*"

