

## **EXHIBIT A**

### **GOVERNOR ROBERT F. MCDONNELL'S LETTER JANUARY 19, 2012**



# COMMONWEALTH of VIRGINIA

## Office of the Governor

Robert F. McDonnell  
Governor

January 19, 2012

The Honorable James Cheng  
Secretary of Commerce and Trade  
Patrick Henry Building  
1111 E. Broad Street  
Richmond, VA 23219

The Honorable Doug Domenech  
Secretary of Natural Resources  
Patrick Henry Building  
1111 E. Broad Street  
Richmond, VA 23219

The Honorable Bill Hazel, M.D.  
Secretary of Health and Human Resources  
Patrick Henry Building  
1111 E. Broad Street  
Richmond, VA 23219

Re: Establishment of Uranium Working Group

Dear Secretaries Cheng, Domenech, and Hazel:

As you know, the General Assembly may take up various legislation regarding uranium mining in Virginia. I have asked them not to take any action this session to allow us time to further evaluate the law and science concerning the mining of uranium, so that the legislature can make well informed policy decisions in the future. Thus, I am writing, pursuant to the authority provided in Article V, Section 8 of the Constitution of Virginia, to direct that you establish a Uranium Working Group from the staff of the Department of Mines, Minerals and Energy (DMME), the Department of Environmental Quality (DEQ), and the Virginia Department of Health (VDH) to provide a scientific policy analysis to help the General Assembly assess whether the moratorium on uranium mining in the Commonwealth should be lifted, and if so, how best to do so. The recent National Academy of Sciences (NAS) report entitled, "Uranium Mining in Virginia – Scientific, Environmental, Human Health and Safety, and Regulatory Aspects of Uranium Mining and Processing in Virginia," and the Chmura "Economics and Analytics Socioeconomic Impact Study" report, identify important questions related to the health and safety of workers, the public, and the environment, as well as the possible impact of uranium mining on the socioeconomic vitality of the areas near potential mining sites. These issues must be addressed before an informed determination about whether uranium mining and milling should be conducted in the Commonwealth.

Specifically, I would like the working group to accomplish the following tasks:

1. Establish a draft statutory and conceptual regulatory framework that could be used to govern all aspects of mining and milling uranium in Virginia using the complete life cycle analysis discussed in the NAS Report, and provide for regular and structured analyses of conditions and operation in a collaborative and highly structured management and regulatory system. In doing so please evaluate:
  - a. Requirements for meteorological and climatological data regarding the impact and frequency of natural catastrophic events at the most likely potential mining/mill site in Virginia
  - b. Monitoring of water and air quality by DEQ
  - c. Requirements for the operations and reclamation plans to be submitted with a mine permit application
  - d. Necessary health and safety standards for employees at the mine and mill sites
  - e. Standards for the safe disposal of mine waste
  - f. A framework for enforcement to ensure compliance with health, safety, and environmental standards.
  - g. Fee structure, or other funding options, to provide sufficient support for the requisite robust regulatory framework
  - h. Any other issues that may arise that would assist in establishing a comprehensive, statutory/regulatory framework
2. Assess whether the Virginia framework needs to be more stringent than existing federal regulations to reflect Virginia's population density, rainfall and temperate climate, water table levels, and unique geography.
3. Analyze the resources and expertise needed for VDH, DMME, and DEQ to implement and enforce the regulatory programs, as appropriate.
4. Establish the process by which all three agencies would adopt a unified emergency preparedness and response plan that would define their respective roles and identify the resources needed for implementation.

5. Establish the parameters of an active epidemiological surveillance program for VDH to monitor the communities surrounding the most likely mining site, neighboring communities, and coordination with border states as necessary, concerning any short and long term health impacts.
6. Determine the measures necessary to proactively protect the public and worker health, including monitoring for both occupational and community-related impact, and how such measures would be implemented and reviewed.
7. Plan for the reinstitution of VDH's radon program, funding for which was eliminated as part of a 2009 budget reduction, so sufficient epidemiological studies can be conducted that assess community risk or control for background radon (and smoking), as prior studies were ecologically (not epidemiologically) focused.
8. Determine the standards for groundwater and surface water that might need to be implemented, and determine whether new monitoring programs need to be developed and implemented by DMME, DEQ, Department of Conservation and Recreation (DCR) and VDH.
9. Determine if additional resources are necessary to support new water monitoring programs and enforcement once the regulations are implemented.
10. Determine what additional statutory/regulatory authority might be needed to ensure water quality in private wells.
11. Determine in conference with the U.S. Nuclear Regulatory Commission (NRC) the standards necessary for the regulation of uranium milling operations pursuant to an amended agreement with the NRC and whether the Governor should send a letter of intent to the NRC seeking amendment.
12. Meet with governmental entities that currently regulate active uranium mining and/or milling operations and review their regulatory programs. Review pertinent information research and studies, the World Nuclear Association, International Atomic Energy, and International Radiation Protection Association, and any other expert source having information of value.
13. Define parameters for a full environmental impact analysis with input from the public for any proposed uranium mining and milling site.

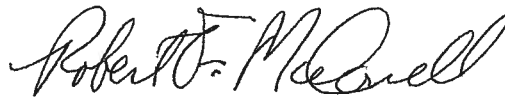
14. Establish a coordinated plan for conducting meaningful public outreach and input at all stages of the process in order to keep the public informed during permitting, construction, operation of the mine and mill, reclamation of the mine, and closure/decommissioning of the mine and mill.
15. Evaluate engineering designs and best management practices to prevent the release of radionuclides into ground and/or surface waters. Also, perform an on-site analysis with appropriate experts to ensure all necessary issues that may be unique to the Coles Hill site have been considered.
16. Ensure implementation of an “As Low As Reasonably Achievable” (ALARA) standard for the design and management of the mine, mill, and tailings containment into the statutory/regulatory framework.
17. Evaluate the World Bank Guidance on Financial Surety and develop a financial assurance program for uranium mining and milling to ensure appropriate closure and decommissioning, and determine the amount of surety or other assurance instruments (i.e., insurance emergency fund) necessary to guarantee that all needed monitoring, maintenance, emergency response and future design improvements can be made.
18. Extensively consider and seek public input regarding:
  - a. impacts on local and statewide economic development and measures that may be taken to prevent negative impacts, and capture potential opportunities for positive impact, and
  - b. the protection of existing businesses, industries, individuals and property that may be impacted by a potential uranium mine/mill site and a process for the assessment of impact and appropriate response.

In completing their work, the Uranium Working Group may ask the Chief of Staff to request assistance from any other executive branch agency, as well as supplemental funding for private sector expertise, to ensure all necessary resources are available for a thorough analysis. In order to ensure transparency and an opportunity for public review and input, I am instructing the working group to periodically present its findings and recommendations on the draft statutory framework and conceptual regulations at public meetings of the Uranium Subcommittee of the Coal and Energy Commission throughout the next year, and present their findings to the Coal

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Page 5

and Energy Commission by December 1, 2012. Thank you for your prompt and thoughtful attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. McDonnell". The signature is fluid and cursive, with the first name "Robert" and last name "McDonnell" clearly distinguishable.

Robert F. McDonnell

cc: The Honorable William J. Howell, Speaker of the House of Delegates  
The Honorable Thomas K. Norment, Senate Majority Leader  
The Honorable David J. Toscano, Member, Virginia House of Delegates  
The Honorable Richard L. Saslaw, Senate of Virginia  
The Honorable Martin L. Kent, Chief of Staff to Governor McDonnell  
Maureen Matsen, Sr. Advisor on Energy to Governor McDonnell  
Director Conrad Spangler, Department of Mines, Minerals and Energy  
Director David Paylor, Department of Environmental Quality  
Commissioner Karen Remley, MD, Department of Health