

# Henderson Underground Science and Engineering Project Advisory Commission



**2nd Quarter Report – July 2006**

# STATE OF COLORADO

## OFFICE OF THE LIEUTENANT GOVERNOR

130 State Capitol  
Denver, Colorado 80203-1792  
Phone: (303) 866-2087



Jane E. Norton  
Lieutenant Governor

July 11, 2006

The Honorable Bill Owens  
136 State Capitol  
Denver, CO 80203

Dear Governor Owens:

In keeping with Executive Order B 007 05, regarding the *Establishment of the Advisory Commission on the Henderson Underground Science and Engineering Project (HUSEP)*, I am pleased to submit the following 2<sup>nd</sup> Quarter Report detailing the activities of the Commission.

The Commission continues to meet on a regular basis to review qualitative and quantitative information related to the project, including but not limited to:

- a) Monthly project status updates
- b) Review and provide feedback on NSF Proposal Reports
- c) Review Core Drill status updates
- d) Review the current status of applicable regulatory permits to ensure compliance
- e) Review the proposed NSF Cooperative Agreement
- f) Review a comprehensive analysis of the competition

In addition, the Commission is working with the Office of Economic Development to secure comprehensive Economic Impact Studies for Clear Creek County and Grand County to review and analyze the benefit and impact to those communities if the HUSEP project is awarded to the State of Colorado.

The Commission also continues to work with the Governor's Office of Legal Counsel and the legal teams from the HUSEP Collaboration and Phelps Dodge Mining Company to review the liability and indemnification issues related to the project to protect the interests of the state.

As outlined in the Executive Order, it is recommendation that the Commission makes a presentation on the activities and findings related the HUSEP project to the State, Veterans and Military Affairs Committee on an annual basis. In support of the HUSEP Project, as well as Senate Bill 229, members of the Commission joined me in testifying before the State, Veterans and Military Affairs and the Senate Appropriations Committee to update the committees on the project and voice support for the SB229 as a means of funding for HUSEP. The details of the Commission's presentations is captured in the transcript below, and in greater detail in the enclosed attachments, and serves to satisfy the intent of the Executive Order and the Second Quarter Report.

**Final**  
STAFF SUMMARY OF MEETING

SENATE COMMITTEE ON STATE, VETERANS & MILITARY AFFAIRS

Date: 04/24/2006

ATTENDANCE

Time: **01:37 PM to 02:56 PM**

Fitz-Gerald      X  
Johnson           \*

Place: SCR 353

Lamborn           X  
May R.             X

This Meeting was called to order by  
Senator Tupa

Windels           X  
Groff               \*  
Tupa                X

This Report was prepared by  
Leslie Herod

X = Present, E = Excused, A = Absent, \* = Present after roll call

Bills Addressed:	Action Taken:
SB06-229	Referred to Appropriations
HB06-1057	Amended, Referred to Appropriations

**01:37 PM -- Call to Order**

Senator Tupa, chairman, called the committee to order.

**01:37 PM -- Senate Bill 06-229**

Senator Fitz-Gerald, prime sponsor, reviewed the provisions of Senate Bill 06-229, concerning the use of moneys from the operational account of the severance tax trust fund to pay for the state's share of facility related to a national deep underground science and engineering laboratory (DUSEL) to be located in the state. Senator Tupa highlighted the investment benefits this bill provides the state.

**01:42 PM --** Chang Kee Jung, representing Henderson Underground Science and Engineering Project collaboration (HUSEP) collaboration, testified in favor of the bill, and distributed a copy of his statement. He spoke to the extensive research completed on this project, and the cutting edge technology this site will bring to the scientific community.

**01:56 PM --** Mark Kutcha, representing the Colorado School of Mines, testified in favor of the bill, and distributed a copy of his statement. He spoke to the benefit DUSEL will have to the colleges and universities, and to the educational enrichment of K-12 youth throughout the state.

**02:05 PM --** Dick Propernick, representing Henderson Mines, testified in favor of the bill, and distributed a handout. He spoke to the mine's high safety standards and environmental stewardship. Senator Windels asked Mr. Propernick to explain the level of access that the visitors will have to of the DUSEL facility.

**02:12 PM --** Steve Shultz, representing the Arapahoe Project, testified in favor of the bill, and distributed a copy of his testimony. He spoke to the benefit DUSEL will have to the state of Colorado.

**02:17 PM** -- Tim Pollard, representing the Department of Natural Resources, testified in favor of the bill.

**02:18 PM**

<b>BILL:</b>	<b>SB06-229</b>	
<b>TIME:</b>	<b>02:20:50 PM</b>	
<b>MOVED:</b>	Fitz-Gerald	
<b>MOTION:</b>	Refer Senate Bill 06-229 to the Committee on Appropriations. The motion passed on a 7-0 roll call vote.	
<b>SECONDED:</b>		
		<b>VOTE</b>
	Fitz-Gerald	Yes
	Johnson	Yes
	Lamborn	Yes
	May R.	Yes
	Windels	Yes
	Groff	Yes
	Tupa	Yes
<b>Final YES: 7 NO: 0 EXC: 0 ABS: 0 FINAL ACTION: <span style="color: red;">PASS</span></b>		

**Final**  
**STAFF SUMMARY OF MEETING**

**SENATE APPROPRIATIONS COMMITTEE**

**05:20 PM -- Senate Bill 06-229 - Concerning the Henderson Underground Science & Engineering Project (HUSEP)**

Representative Plant, prime sponsor, explained that Senate Bill 06-229 would require the General Assembly to appropriate a total of \$20 million from the operational account of the severance tax trust fund over a 5-year period beginning in FY 2007-08, to pay the state's share of the costs related to the construction and operation of a national deep underground science and engineering laboratory (DUSEL) facility that will house a visitor's center, educational resources, and DUSEL administrative offices. This requirement is conditional upon the National Science Foundation awarding DUSEL to the Henderson Mine near Empire.

The following persons testified:

**05:26 PM --** Lt. Governor Jane Norton, State Advisory Commission on HUSEP, testified in support of the legislation and discussed the events that led to the legislation. The Lt. Governor explained that the Deep Underground Science and Engineering Laboratory (DUSEL) proposed at the Henderson Mine near Empire, Colorado, is a collaboration of industry, higher education, state and local officials, and community members. During the past few decades, large-scale underground physics laboratories in Canada, Europe, and Japan have made major discoveries in science including neutrino physics. But this is not the case for U.S. laboratories. The Henderson DUSEL would allow U.S. scientists and engineers to re-establish leadership in underground science and engineering. The DUSEL at Henderson would provide a bold and comprehensive science and engineering program for fundamental discoveries with far reaching benefits in physics, geoscience, and bioscience. The Lt. Governor urged committee members to vote for the legislation. A packet of materials on DUSEL was distributed to committee members

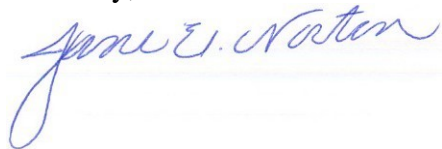
**05:29 PM --** Mr. Steve Schultz, Arapahoe Project, testified in support of the measure and distributed a handout from the Arapaho Project. Mr. Schultz explained that the Arapaho Project, Clear Creek and Grand counties, and members of HUSEP strongly believe the Henderson Mine is the ideal site for the National Science Foundation's proposed Deep Underground Science and Engineering Laboratory (DUSEL). A high profile national laboratory like DUSEL will directly benefit Clear Creek County and the State of Colorado. Recent studies by the Office of Economic Development and International Trade indicate a direct and secondary benefit to Clear Creek County of \$99 million over a ten year period and \$364 million to the state over the same time period. Please vote for the proposal.

**05:34 PM --** Mr. Jim Cole, Colorado School of Mines, testified in support of the legislation.

**05:34 PM --** Mr. Russ George, Colorado Department of Natural Resources, testified in support of the legislation and endorsed the project. Mr. George closed by saying that the severance tax is an appropriate funding source for this project. The DUSEL project will enable Colorado to become an international leader in science.

As we proceed to the next stage of the National Science Foundation proposal process, the Commission will continue to support the Colorado HUSEP application progression, identify the benefits and impacts to the state, and providing recommendations on the role of the state in securing this national laboratory.

Sincerely,



Jane E. Norton  
Lt. Governor/ Commission Chair

Senator Joan Fitz-Gerald  
Senate District 16  
Colorado State Legislature

Representative Al White  
House District 57  
Colorado State Legislature

Russell George  
Executive Director  
Department of Natural Resources

Brian Vogt  
Executive Director  
Office of Economic Development

Jeff Holwell  
Division Director, Business Development  
Office of Economic Development

Clay Brown  
Regional Manager – Central Region  
Office of Field Services  
Department of Local Affairs

Jenna Langer  
Executive Director  
Colorado Commission on Higher Education

Steve Schultz  
Representative  
Clear Creek County

Nancy Stuart  
County Commissioner  
Grand County

Jim Arnold  
General Manager  
Climax Molybdenum Company

Richard Woods  
Director  
Arapaho Project

Dr. Mark Kuchta  
Mining Engineering Professor  
Colorado School of Mines

**Non-voting Member:**

Dr. Chang Kee Jung  
Stony Brook University  
HUSEP Executive Committee

**Non-Voting Staff Members:**

Becky Chandler - OEDIT  
Susan C. Smith – Lt. Governor's Office