

# Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant Cameco Corporation

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Subject Application to Amend the Beaverlodge Waste  
Facility Operating Licence to Extend the Expiry  
Date

Hearing  
Date January 25, 2007

## RECORD OF PROCEEDINGS

Applicant: Cameco Corporation

Address/Location: 2121 – 11<sup>th</sup> Street West, Saskatoon, Saskatchewan S7M 1J3

Purpose: Application to amend the Beaverlodge Waste Facility Operating Licence to extend the expiry date

Application received: November 24, 2006

Date(s) of hearing: January 25, 2007

Location: Canadian Nuclear Safety Commission (CNSC), 280 Slater St., 14th. Floor, Ottawa, Ontario

Members present: L.J. Keen, Chair  
C. Barnes  
J.A. Dosman

Legal Counsel: J. Lavoie  
Secretary: K. McGee  
Recording Secretary: S. Dimitrijevic

<b>Applicant Represented By</b>	<b>Document Number</b>
<ul style="list-style-type: none"> <li>• J. Jarrell, Vice-President, Safety, Health and Environment</li> <li>• C. Paton, Project Manager for the Beaverlodge Project</li> </ul>	CMD 07-H4.1 CMD 07-H4.1A
<b>CNSC staff</b>	<b>Document Number</b>
<ul style="list-style-type: none"> <li>• B. Howden</li> <li>• K. Scissons</li> </ul>	<ul style="list-style-type: none"> <li>• T. Gates</li> </ul> CMD 07-H4
<b>Saskatchewan Environment</b>	
<ul style="list-style-type: none"> <li>• R. Kidd, Manager, Industrial, Uranium, and Hard Rock Unit - Environmental Protection Branch</li> </ul>	
<b>Intervenors</b>	
See Appendix A	

**Licence:** Amended  
**Date of Decision:** January 25, 2007

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## Introduction

1. Cameco Corporation (Cameco) has applied to the Canadian Nuclear Safety Commission (CNSC<sup>1</sup>) to seek an amendment to its Beaverlodge Waste Facility Operating Licence. The current licence, WFOL-W5-2120.0/2007, has an expiry date of March 31, 2007. Cameco requested the extension of the expiry date of the current licence by nine months, to December 31, 2007.
2. The Beaverlodge Waste Facility is located on the north side of Lake Athabasca near Uranium City, Northwest Saskatchewan. The milling facility operated until 1982, and the Beaverlodge Operation facility was decommissioned in 1985.
3. In 2005, after a period of monitoring, the Commission revoked the decommissioning licence and issued a Waste Management Facility Licence to fulfill appropriate obligations, including additional remediation. Concerned with existing, measurable and significant adverse effects from past mining and milling activities on the aquatic environment and natural recovery, the Commission had included two key licence conditions. The first was to establish a financial guarantee for long-term monitoring and maintenance of the site, and the second was for additional environmental monitoring and reporting.
4. Following the long-term maintenance and monitoring, Cameco intends to reclaim as many areas covered by the licence as possible for release into the Province of Saskatchewan's *Institutional Control Management Framework* (IMCF). This framework will be supported by legislation once *The Reclaimed Industrial Sites Act*<sup>2</sup> is enacted and regulations are developed.
5. The applicant is of the view that the extension of the licensing period would allow sufficient time for the Province of Saskatchewan to promulgate *The Reclaimed Industrial Sites Act* and associated regulations in 2007, and sufficient time for the completion of special environmental and health studies by Cameco and their subsequent review by CNSC staff. The proposed licence amendment would not incorporate any substantive change from the requirements of the existing licence, or any changes to the physical site or to programs currently in place.

## Issues

6. In considering the application, pursuant to section 24 of the *Nuclear Safety and Control Act*<sup>3</sup> (NSCA), the Commission was required to decide:
  - a) whether Cameco is qualified to carry on the activity that the amended licence would authorize; and

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<sup>1</sup> In this *Record of Proceedings*, the *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general and as the "Commission" when referring to the tribunal component.

<sup>2</sup> S.S. 2006, c. R-4.21.

<sup>3</sup> S.C. 1997, c.9.

- b) whether, in carrying on that activity, Cameco would make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

### Public Hearing

7. The Commission, in making its decision, considered information presented for a one-day public hearing held on January 25, 2007 in Ottawa, Ontario. The public hearing was conducted in accordance with the *Canadian Nuclear Safety Commission Rules of Procedure*<sup>4</sup>. During the public hearing, the Commission received written submissions and heard oral presentations from CNSC staff (CMD 07-H4) and Cameco (CMD 07-H4.1 and CMD 07-H4.1A). The Commission also considered oral presentations and written submissions from five intervenors (see Appendix A for a list of the interventions).

### **Decision**

8. Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Proceedings*, the Commission concludes that Cameco is qualified to carry on the activity that the amended licence will authorize. The Commission is also satisfied that Cameco, in carrying on that activity, will make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed. Therefore:

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, amends the Waste Facility Operating Licence WFOL-W5-2120.0/2007 issued to Cameco Corporation for its facilities located at Beaverlodge, Saskatchewan. The amended licence will be valid until March 31, 2009.

9. The Commission also amends the licence condition 2.2, as recommended by CNSC staff and set out in the draft licence attached to CMD 07-H4.

### **Issues and Commission Findings**

10. In making its licensing decision under section 24 of the *Nuclear Safety and Control Act*, the Commission considered a number of issues relating to Cameco's qualifications to carry out the proposed activities, and the adequacy of the proposed measures for protecting the environment, the health and safety of persons, national security and international obligations to which Canada has agreed.

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<sup>4</sup> S.O.R./2000-211.

11. The findings of the Commission are based on the Commission's consideration of all the information and submissions available for reference on the record for the hearing.

### **Status of Environmental Studies**

12. Cameco informed the Commission about the status of special environmental and health studies that had been implemented to address concerns regarding existing adverse aquatic effects and slow rate of natural recovery as the method of site remediation.
13. Cameco has developed, in consultation with CNSC staff and Saskatchewan Environment, a work plan and a specific study design for six areas of investigation to characterize the environmental conditions and identify residual risks resulting from the legacy impacts of the decommissioned Beaverlodge site. The areas of studies include: geochemical modelling, acute toxicity testing, existing data review, spatial and temporal metal trends, spawning habitat assessment and fish health study. Cameco stated that qualitative assessment of the obtained data provide evidence that the system is in recovery. Cameco further informed the Commission about main factors that were delaying the completion of environmental studies. The identified factors include complexity and scope of studies, quality and accuracy of analytical data and positive bias in selenium (Se) concentration determination.
14. J.V. Penna and M.H. Penna, in their intervention, questioned the possibility for remediation of heavily contaminated environment, questioned the methodology of the study of adverse effects on fish health and took issue with Cameco's statement that the system is in recovery.
15. B. Adamson expressed concerns about increased pollution by radium 226 and slow decline in selenium levels in the environment.
16. E. Knight in her intervention expressed concerns about long-term effects of alpha-emitting radionuclides and questioned existence of standards for "site release" exemptions under the site's operating licence.
17. In response to these concerns the Commission assured the intervenors that the CNSC will continue to keep a rigorous oversight and control of all the uranium facilities regardless of the stage of their development or their location.

### **Canadian Environmental Assessment Act**

18. Before making a decision, the Commission must be satisfied that all applicable requirements of the CEAA have been fulfilled.
19. CNSC staff stated that amending the licence, pursuant to the subsection 24(2) of the NSCA, is listed as a "trigger" under the *Law List Regulations*<sup>5</sup> of the CEAA. However, a transitional clause of the CEAA (subsection 74(4)) provides that, in cases where the construction, operation

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<sup>5</sup> S.O.R./94-636.

or carrying out a physical activity was initiated before June 22, 1984, the CEAA does not apply with respect to issuance or renewal of the licence, permit, approval or other actions with respect to the project, unless this action entails modification, decommissioning, abandonment or other alteration to the project. In this case, the licensed activities were initiated before June 22, 1984, at all sites covered by the current application and do not entail changes so that transitional clauses of the CEAA (subsection 74(4)) apply. Therefore, CNSC staff stated that the current licence is not a trigger under the *Law List Regulations* of the CEAA and, accordingly, the amendment of the licence is not a trigger.

20. The Commission therefore concludes that an environmental assessment of the operations at Cameco Beaverlodge waste management facilities, pursuant to the CEAA, is not required before the Commission may make a decision on the licence amendment.

### **Public Interest**

21. With respect to public consultation and regulatory inspections during this licence period, Cameco informed the Commission that it had hosted three inspections and one tour of specific areas of the decommissioned Beaverlodge properties. Cameco had also organized public meetings in Uranium City and meetings with the Environmental Quality Committee (EQC) – Athabasca Sub-Committee.
22. In its submission, CNSC staff informed the Commission that there had been no significant public interest regarding this application. CNSC staff further noted that the Northern Saskatchewan Environment Quality Committee (NSEQC) was interested in the site, with the primary objectives of assuring local contracting for monitoring and maintenance work and access for hunting and recreational purposes.
23. CNSC staff further informed the Commission that Uranium City Resources, Kirkland Lake, Ontario, had expressed significant interest regarding uranium exploration on decommissioned and other legacy mine sites.
24. E. Knight expressed concerns about the role of Uranium City Resources' interest for mining decommissioned and other legacy mine sites and potential influence on this case. The intervenor requested transparency with respect to this issue.
25. Intervenors J.V. Penna, M.H. Penna and L. Murphy took issue with the statement regarding the lack of public interest, stating that most of the public has not been informed about the Beaverlodge operation. In the view of these intervenors, this application was a procedural attempt on the part of Cameco to extricate itself from the responsibility of remediation of the area and to shift the problem to the Government and people of Saskatchewan. These intervenors expressed the opinion that the Province must not take responsibility until the definitive completion of the decommissioning process.

26. Intervenors J.V. Penna, M.H. Penna and E. Knight objected to what they view as a lack of separation of government and nuclear industry. They expressed the opinion that nuclear industry is dangerous for the environment and requires the distance of an objective governmental safety organisation to implement and oversee rigorous standards in order to protect the environment.
27. With respect to the comments submitted by intervenors, the Commission restated that it has been appointed to be independent of all government, industry, political involvement and influence of special interest groups, and that it serves as an independent quasi-judicial administrative tribunal. The Commission assured intervenors that it will continue to monitor and regulate the Beaverlodge facility until the point when it could be reclaimed.

### **Financial Guarantee**

28. Cameco declared that a financial guarantee for the long term monitoring and maintenance of the facility is provided in the form of a parent government guarantee.
29. Based on the information received, the Commission is satisfied that an adequate financial guarantee is in place for the purpose of the amended license.

### **Cost Recovery Fees Regulations**

30. CNSC staff reported that Cameco is in compliance with the CNSC *Cost Recovery Fees and Regulations, 2003*.

### **Licence Period**

31. Cameco has applied for a nine-month extension of the licence, until December 31, 2007. CNSC staff, referring to the reasons enumerated in CMD 07-H4 (subsection 8 (c)), recommended that the Commission approve a one-year extension to March 31, 2008.
32. The Commission considered an extension longer than requested, based on the time needed for completion of the ongoing special environmental and health studies and review of Cameco's report by CNSC staff, as well as the possibility of a lengthy legislative process. Cameco, CNSC staff and Saskatchewan Environment reacted favourably to the two-year extension suggested by the Commission.
33. Based on the information received during the hearing, the Commission concluded that the operational licence should be extended to march 31, 2009.



## **Conclusion**

34. The Commission has considered the information and submissions of Cameco, CNSC staff and intervenors as presented in the material available for reference on the record.
35. The Commission is satisfied that Cameco is qualified to carry on the activity that the amended licence will authorize. The Commission is also satisfied that Cameco, in carrying on that activity, will make adequate provision for the protection of the environment, the health and safety of persons, and the maintenance of national security and measures required to implement international obligations to which Canada has agreed
36. The Commission therefore amends, pursuant to section 24 of the *Nuclear Safety and Control Act*, the Waste Facility Operating Licence held by Cameco and extends the licence duration by two years, until March 31, 2009.
37. The Commission includes in the licence the amended condition recommended by CNSC staff, as set out in the draft licence attached to CMD 07-H4.

Linda J. Keen,  
President,  
Canadian Nuclear Safety Commission

Date of decision: January 25, 2007

Date of release of Reasons for Decision: March 21, 2007

## Appendix A: Intervenors

Intervenors	Document Number
J.V. Penna	CMD 07-H4.2
M.H. Penna	CMD 07-H4.3
L. Murphy	CMD 07-H4.4
E. Knight	CMD 07-H4.5
B. Adamson	CMD 07-H4.6