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VIA EMAIL

Mr. Brian Torrie  
Director General  
Regulatory Policy Directorate  
Canadian Nuclear Safety Commission  
280 Slater Street  
PO Box 1046, Station B  
Ottawa, ON K1P 5S9

Dear Mr. Torrie:

***Cameco Corporation's Comments on DIS-16-01, How the CNSC Considers Information on Costs and Benefits: Opportunities to Improve Guidance and Clarity***

Cameco Corporation (Cameco) has prepared the following comments on Discussion Paper DIS-16-01, *How the CNSC Considers Information on Costs and Benefits: Opportunities to Improve Guidance and Clarity* (Discussion Paper).

**Background**

When proposing new regulations or amendments to existing regulations, the Canadian Nuclear Safety Commission (CNSC) is required to produce a meaningful Regulator Impact Analysis Statement (RIAS) in accordance with the Treasury Board of Canada's 'One-for-One' Rule. The RIAS is to include a description of what the government will deliver, including benefits and costs of the proposal. The Treasury Board of Canada requires that proposed new or amended regulation must offset administrative costs to business.

As indicated in a previous submission on CNSC Discussion Paper DIS-14-02: *Modernizing the CNSC's Regulations* dated May 28, 2015, Cameco encourages the CNSC to take cost-benefit information into account when deciding to make changes to its regulatory framework, which includes both regulations and regulatory documents.

## **Timing**

We believe that cost-benefit information for a RIAS needs to be gathered and analyzed by the CNSC early in the process because cost-benefit analysis (CBA) results should first be used to justify the decision to proceed or not proceed with a regulatory change.

In our previous submissions, Cameco and other stakeholders have recommended that the CNSC should solicit licensee's input in advance of drafting regulatory documents. This would provide an opportunity for licensees to provide costs and benefits information that the CNSC may then incorporate into its CBA to support the decision to produce or update a regulatory document.

## **Responsibility**

Cameco recognizes that for proposed changes to both regulations and regulatory documents, the CNSC may benefit from cost-benefit information provided by licensees. Cameco is open to sharing relevant cost-benefit information on a case-by-case basis as part of specific consultation processes related to regulations and regulatory documents while also recognizing that the onus is on the CNSC to conduct the CBA in both of these circumstances.

For new regulatory documents and changes to existing regulatory documents, there is no formal CBA or RIAS process in place. In our experience, updates to existing regulatory documents or new regulatory documents undergo a more limited analysis compared to regulations. We would welcome clarification on how costs and benefits associated with new or revised regulatory documents will be considered by the CNSC. Unfortunately, this information was largely absent from the Discussion Paper.

Comparing the Discussion Paper to the predecessor document (Regulatory Policy P-242 *Considering Cost-benefit Information*), we believe the CNSC is elevating the role of the CBA to a licensing requirement and putting the onus on licensees to provide cost-benefit information or to complete a CBA for a wide range of submissions. Regulatory Policy P-242 simply notes that the CNSC will consider relevant cost-benefit information that may be submitted by any participant in the *Nuclear Safety and Control Act* (NSCA) decision making process. However, the Discussion Paper implies CNSC may begin requesting and possibly mandating cost-benefit information from licensees.

We are concerned that, with the Discussion Paper, the CNSC appears to be casting a fairly wide net on: (1) when cost-benefit information may be requested; and, (2) the level of detail required in a CBA. Should the Discussion Paper become a regulatory document and incorporated by reference into Licence Condition Handbooks, the CNSC may then require licensees to provide cost-benefit information or provide a CBA on a variety of specific proposals. As currently written, the Discussion Paper suggests the CNSC could request licensees to provide detailed cost-benefit information for low-risk decisions made by designated officers for proposed changes that are within the licensing basis of a facility.

## **Regulatory Mandate**

Cameco's commitment to safety and environmental protection is defined in our corporate Safety, Health, Environment and Quality Policy. We also continue to support a performance-based

approach to regulation. The NSCA requires licensees to demonstrate how health, safety, security and environmental objectives are met in an application for a CNSC decision. The NSCA does not, however, require or grant authority to the CNSC to require cost-benefit information from licensees and if a licensee demonstrates that all required objectives are met, it is unclear why or how cost-benefit information would be relevant or factor into the CNSC's decisions under the NSCA.

The applicability of CBA may have a clearer and defined place in the regulatory environment for project proponents subject to rate-setting regulators. We also note that many of the examples in the Discussion Paper are related to projects being conducted by crown corporations (e.g. Ontario Power Generation, Saskatchewan Research Council). The rationale for a transparent and thorough CBA for publicly-funded projects may be more apparent. However, it is unclear how costs to be incurred by private corporations should factor into the CNSC's regulatory oversight of projects or activities.

Finally, substantial efforts have been undertaken by Canada's federal government in recent years to reduce regulatory red tape and monitor the administrative burden on business. It is not evident how the Discussion Paper fits within the *Cabinet Directive on Regulatory Management*.

### **Administrative Burden**

Depending on the project or submission, detailed and high-quality cost-benefit information may not be readily available or necessary for licensees to select a preferred option for a project. To have to provide this information would increase the regulatory burden on licensees without providing any corresponding benefit to health, safety or the environment. Due to the wide range of approaches available to complete a CBA, we expect time and effort will be required to satisfy the CNSC's preference for a particular CBA approach and thus further increase the associated administrative burden for the licensee.

There appear to be potential new requirements outlined as part of the Discussion Paper. For example, licensees may be required to demonstrate their preferred option is not only effective in meeting the regulatory requirements, but is also as effective as alternatives regardless of cost. The rationale and mandate for requiring this is unclear and creates an uncertain regulatory environment for licensees.

### **Confidentiality**

Costs and cost projections are often confidential. Cameco is a privately held corporation and as such, we are accountable to our shareholders on project cost and not to regulators. Because Cameco is a publically-traded company, there may be instances where we would not want to disclose detailed cost-benefit information or results of CBA due to confidentiality agreements, non-disclosure agreements in contracts and business practices.

### **Editorial Comment**

We had noticed an error in the document that we would like to see corrected. Specifically, we would ask that the CNSC revise the Lorado reference in Section 2.6.3 *Uranium mill tailings management plans* by replacing 'Beaverlodge, Saskatchewan' with 'northern Saskatchewan.' It

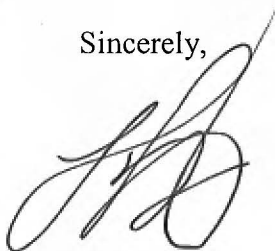
is important to differentiate between Saskatchewan Research Council's Lorado facility and ameco's decommissioned Beaverlodge mine and mill site.

### Summary

It is important for the CNSC to take both costs and benefits into account before a decision is made to proceed with creating or revising a regulation or a regulatory document. The onus is on the CNSC to collect relevant information in a timely manner and conduct the required CBA in these instances. Licensees may also choose to provide a CBA for consideration when relevant to support the CNSC's decisions under the NSCA. When the content of the Discussion Paper is incorporated into the CNSC's regulatory framework, we strongly urge that the CNSC mandate is reflected, potential regulatory burden is accounted for, confidentiality is respected, and different responsibilities be clarified to address our stated concerns.

If you have any questions with respect to the above, then please contact the undersigned at (6) 956-6685 or [liam\\_mooney@cameco.com](mailto:liam_mooney@cameco.com).

Sincerely,



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Vice-President  
Safety, Health, Environment, Quality & Regulatory Relations  
Cameco Corporation

c: Tadros, K. Murthy, R. Lojk, UMMD - CNSC  
Regulatory Records - Cameco