



**Supplementary Information
Oral presentation**

**Presentation from
W. Turner, D. Raman and J. Walker**

In the Matter of the

Canadian Nuclear Laboratories

Application for the renewal of the Nuclear
Research and Test Establishment Operating
Licence for the Chalk River Laboratories

Commission Public Hearing

January 23-25, 2018

**Renseignements supplémentaires
Exposé oral**

**Présentation de
W. Turner, D. Raman et J. Walker**

À l'égard des

Les Laboratoires Nucléaires Canadiens

Demande de renouvellement du permis
d'exploitation d'établissement de recherche
et d'essais nucléaires pour les Laboratoires
de Chalk River

Audience publique de la Commission

23-25 janvier 2018

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An Evaluation of Canadian Nuclear Laboratories Qualifications to Perform Licenced Activities

A presentation to the Canadian Nuclear and Safety Commission
(Pembroke, Ontario)
January 23-25, 2018

by
W. Turner, D. Raman & J. Walker

Purposes of the Presentation

- **To ask three uncomfortable questions**
- **To outline some problems identified for our evaluation**
- **To answer the uncomfortable questions**

Our evaluation is based on information easily accessible to the public.

Outline

- 1. Should CNL be the Licence Holder?**
- 2. Is CNL Qualified?**
- 3. Is CNL's Management stable?**

1. Should CNL be the Licence Holder?

- **Problems with The GoCo Model**

- The GoCo model explicitly changes CNL's operations to a series of contracts (5 to 10 years duration)
 - The contractor (CNEA) becomes conflated with the company (CNL)
 - Assigning which of these two entities is responsible for what is very challenging
- Problems with the contract concept
 - Contracts are limited in scope, and focused on deliverables that are both time and cost dependant.
 - Contracts cannot address long-term operational issues
 - Contractors executors of scope not planners

- **Conclusion**

- CNL should not be the Licence Holder

Problems

- **Licence expiry**

- The current licence expires March 31, 2018
- The current GoCo contract expires September 2025, if CNEA receives a renewal in 2021 for a 4-year extension.
- The expiry date in renewal application is March 31, 2028.
- If CNEA does not obtain the renewal, a new contractor would be required in September 2021 (~3 1/2 years after the end of the current licence).

- **Conclusion**

- The expiry date of the renewed licence should address the dates set in the GoCo contract

Additional Problems

- **CNL's Approach to the Regulator**

- CNL is not proactive with respect to ensuring long-term safety.
- Evidence:
 - *"The ultimate ruler on this would be the Canadian Nuclear Safety Commission (CNSC), who will need to approve and licence the project."*
 - Kurt Kehler, presentation to Old Fort William Cottagers' Association, July 2017
 - CNL does not ensure their proposed undertakings meet regulatory and international best practice requirements **before submission for review.**

- **Conclusion**

- CNL relies on the CNSC and the public to identify long-term safety issues

2. Is CNL Qualified?

- **The “Hindsight Fallacy”**

- Both CNL’s renewal application and the CNSC staff report focus on an evaluation of past operational performance.
 - Both ignore the changes resulting from the implementation of the GoCo model
 - Past performance heavily influenced by NRU operations
 - Existing Safety and Control Areas primarily based on the operations of NRU
 - With NRU shutdown, current SCAs not relevant for future operations

2. Is CNL Qualified?

- **An evaluation of past performance could be a reasonable predictor of future performance only if:**
 - The organization has a history of stable management
 - Future activities are essentially unchanged; and
 - The future is not project oriented (i.e. short-term contracts);
- **Conclusion**
 - Past performance cannot be used to predict future operational performance.

A Better Predictor of CNL Performance

- **CNL's current activities associated with their contractor role**
 - Examples: the three radioactive waste disposal proposals
- **Three Evaluation Criteria**
 - Compliance with applicable regulations and guidelines
 - Open and transparent public engagement
 - Project oversight
- **Conclusion**
 - Base the evaluation of CNL's future performance on its current activities
 - The three waste disposal projects.

Compliance with Applicable Regulations and Guidelines

- **Canadian and International regulations, standards and guidelines have been selectively applied.**
- **Example - The Environmental Assessment Process**
 - Approach to communications is “Decide-Announce-Defend”
 - No attempt to address public comments on the three project descriptions
 - No timely response to questions raised at their public information sessions
 - Assessment of “alternative means” under CEAA flawed
 - Example: using the two criteria, “technically and economically feasible” in evaluation of alternative means. These are **NOT** environmental factors.
 - The EA process is **NOT** a feasibility study
- **Conclusion**
 - CNL lacks the appropriate understanding of the applicable regulations and guidelines

Lack of Open and Transparent Public Engagement

- **Public statements from two of CNL's top executives**
 - *"There have been out there some non-scientific alternative truths."*
 - M. Lesinski, President at CEO of CNL, Petawawa Town Council, May 2017
 - *"The ultimate ruler on this would be the Canadian Nuclear Safety Commission (CNSC), who will need to approve and licence the project."*
 - K. Kehler, VP Decommissioning and Waste Management, presentation to OFWCA, July 2017

Lack of Open and Transparent Public Engagement

- **Public Information session held August 3, 2017 in Chapeau, Québec**
 - Announced as presenting “New Information”
 - Date – a few weeks before the end of the NSDF EIS comment period which was August 17, 2017
 - Some information presented was not provided in CNL’s EIS
- **Incomplete and/or Misleading information on CNL’s website**

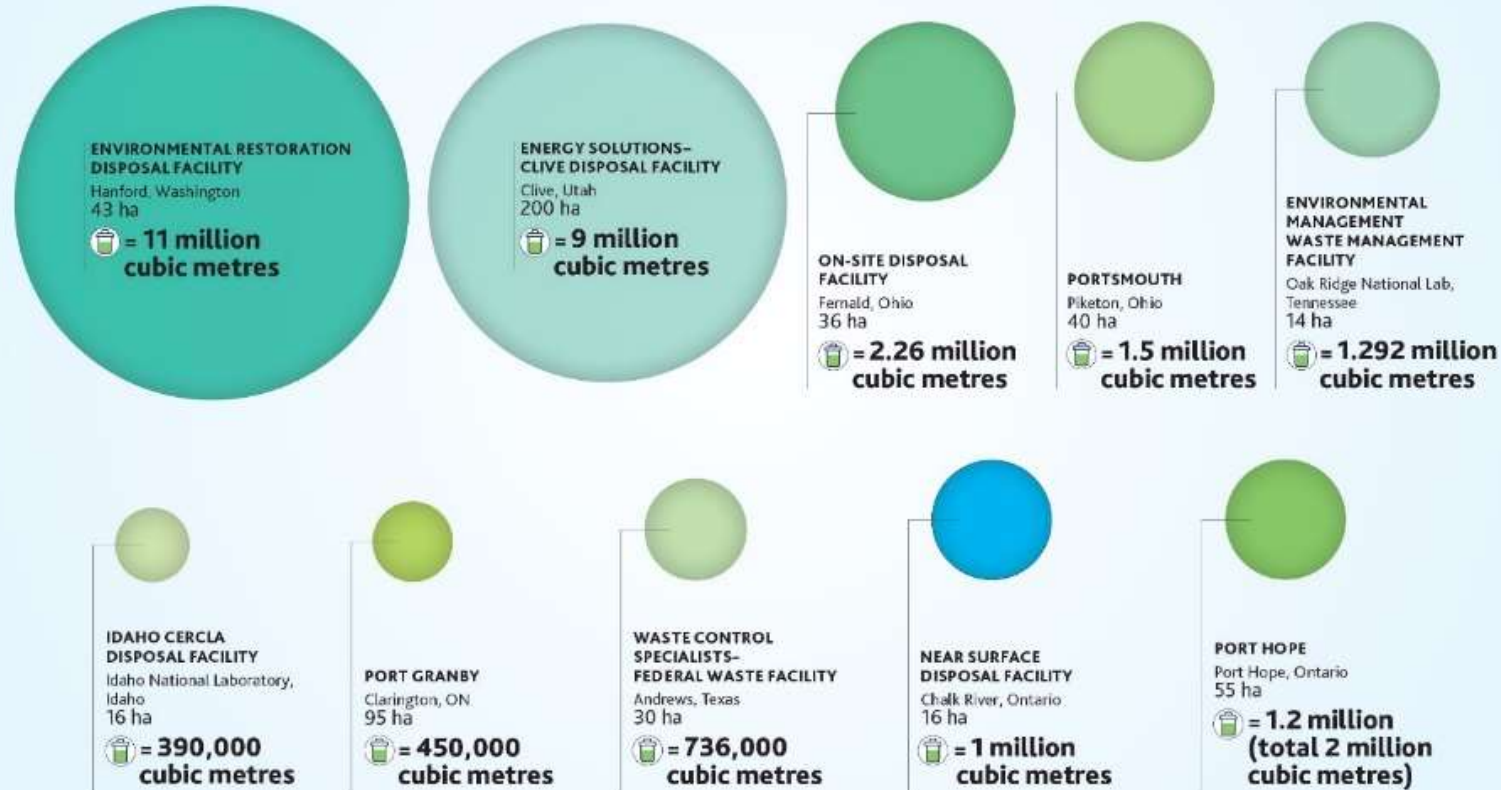
Canadian Nuclear Laboratories (CNL) is proposing to build a **Near Surface Disposal Facility (NSDF)**.



Canadian Nuclear Laboratories | Laboratoires Nucléaires Canadiens

Waste Facilities: *Volume Comparison*

WWW.CNL.CA/NSDF



Lack of Open and Transparent Public Engagement

- **Conclusion**

- CNL's approach to Open and Transparent Public Engagement is practically non-existent

3. Is CNL's Management Stable?

- **Changes to CNL's executive management over the last two years have been extensive (see next slide)**

Table 1 - Changes to CNL Executive (Sep 2015 to Oct 2017)

Role	Sep 2015	Jan 2016	July 2016	Jan 2017	Mar 2017	Jun 2017	Sep 2017	Oct 2017
President and Chief Executive Officer	Mark Lesinski	Mark Lesinski	Mark Lesinski	Mark Lesinski	Mark Lesinski	Mark Lesinski	Mark Lesinski	Mark Lesinski
Vice-President, Research & Development	Thomas Blejwas	Thomas Blejwas	Thomas Blejwas	Thomas Blejwas	Kathryn McCarthy	Kathryn McCarthy	Kathryn McCarthy	Kathryn McCarthy
Vice-President, Finance and Chief Financial Officer	Barry Casselman	Barry Casselman	Barry Casselman	Barry Casselman	Monica Steedman	Monica Steedman	Monica Steedman	Monica Steedman
Vice-President, Decommissioning and Waste Management	Kurt Kehler	Kurt Kehler	Kurt Kehler	Kurt Kehler	Kurt Kehler	Kurt Kehler	Kurt Kehler	Kurt Kehler
Vice-President, Business Development and Commercial Ventures	Bill Mangan	Bill Mangan	Bill Mangan	Bill Mangan	→	Corey McDaniel	Corey McDaniel	Corey McDaniel
Acting Vice-President, Business Development and Commercial Ventures	→	→	→	→	Wayne TerMarsh			
Vice-President, Operations and Chief Nuclear Officer	William Pilkington	William Pilkington	William Pilkington	David Cox	David Cox	David Cox	David Cox	David Cox
Vice-President, Legal	Mark Richards	Mark Richards	Mark Richards	Doug McIntyre	Doug McIntyre	Doug McIntyre	Doug McIntyre	Doug McIntyre
Vice-President, Human Resources	Esther Zdolec	Esther Zdolec	Esther Zdolec	Esther Zdolec	Esther Zdolec	Esther Zdolec	Esther Zdolec	Esther Zdolec
Vice-President, Corporate Affairs	→	Lou Riccoboni	Lou Riccoboni	Lou Riccoboni	Lou Riccoboni	Lou Riccoboni	Lou Riccoboni	Lou Riccoboni
Vice-President, Health, Safety, Security, Environment and Quality Assurance	→	Kevin Daniels	Kevin Daniels	Kevin Daniels	Kevin Daniels	Kevin Daniels	Kevin Daniels	Kevin Daniels
Vice-President, Capital Projects	→	→	→	→	→	→	→	Ted Preisig
General Manager, Whiteshell Laboratories Closure Project	Daniel Coyne	Daniel Coyne	Daniel Coyne	Daniel Coyne	Daniel Coyne	Daniel Coyne	Daniel Coyne	Daniel Coyne
General Manager, NPD Closure Project	Patrick Daly	Patrick Daly	Patrick Daly	Patrick Daly	Patrick Daly	Patrick Daly	Patrick Daly	Patrick Daly
General Manager, Health, Safety, Security, Environment and Quality Assurance	Kevin Daniels							
General Manager, Corporate Affairs	Lou Riccoboni							
General Manager, Engineering & Chief Engineer	Colette Taylor							
General Manager, Engineering	→	Jeff Stone	Jeff Stone	Jeff Stone	-			
Project Management Office	Angie Padgett	Angie Padgett	Angie Padgett	Angie Padgett	-			
Transformation Director	Terry Keown	Terry Keown	-		-			

NOTES – Dates are approximate and not intended to be definitive.

New management role – Yellow

Eliminated management role - Blue

Change in management personnel - Green

3. Is CNL's Management Stable?

- **In 2 years, there was a change of 60% from the original executive**
- **Observations**
 - Excessive changes in CNL's Management appear to confirm it operates as a contractor.
 - That is, a short term vision
- **Conclusions**
 - CNL's Management is driven by the contract model thus it is not appropriate for ensuring long-term viability
 - CNL's Management is not stable.

Question 1

- **Should CNL be the Licence Holder?**

Because CNL executes scope and does not provide policy or direction, we suggest the answer is “NO”.

Question 2

- Does CNL meet the requirement stated in Clause 24(4)(a) of the Nuclear Control and Safety Act?

Based on our evaluation, we suggest that CNL is NOT “... *qualified to carry on the activity that the licence will authorize the licensee to carry on ...*”

Question 3

- **Is CNL's Management stable?**

**With its demonstrated instability,
we suggest the answer is “NO”.**

Overall Conclusion

- **Our evaluation raises questions as to whether CNL “... is qualified to carry on the activity that the licence will authorize the licensee to carry on ...” (NSCA, Section 24(4)(a))**

Therefore, we respectfully submit that a decision by the Commission to grant a 10-year licence to CNL would be an unsafe and unsound decision.

QUESTIONS?