

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ATOMIC ENERGY CONTROL BOARD
AND
SASKATCHEWAN ENVIRONMENT AND RESOURCE MANAGEMENT**

WHEREAS the Atomic Energy Control Board (AECB) and Saskatchewan Environment and Resource Management (SERM) have responsibilities related to the regulation of uranium mining facilities in the Province of Saskatchewan;

WHEREAS the owners/operators of uranium mining facilities in Saskatchewan area responsible for the decommissioning and reclamation of their facilities and related costs;

WHEREAS the owners/operators of uranium mining facilities in Saskatchewan are required to provide and maintain acceptable assurances or measures (hereinafter, "financial assurances") to ensure the implementation of decommissioning and reclamation plans approved by the AECB and the Minister of SERM:

WHEREAS it is not intended to require the owners/operators of uranium mining facilities in Saskatchewan to provide separate and distinct financial assurances in response to federal and provincial requirements; and

WHEREAS it is desirable that the AECB and SERM consult, cooperate and coordinate with each other with the object of ensuring compatibility and consistency of regulatory requirements related to financial assurances for uranium mining facilities in Saskatchewan;

THEREFORE, the AECB and SERM hereby agree to collaborate in the implementation, application and administration of regulations and requirements related to the decommissioning and reclamation, including the provision of financial assurances, for uranium mining facilities in Saskatchewan, in accordance with the following:

ASSESSMENTS, APPROVALS, LICENSING, AND DISAGREEMENTS

1. Upon receipt by AECB and/or SERM of an application for a licence or approval to remove or excavate uranium, or upon receipt of an application for a licence or approval to permit construction, operation, modification, permanent closure, decommissioning or abandonment of a uranium mining facility in Saskatchewan, the AECB and SERM will convene committees comprising members appointed by each agency for purposes of (i) assessing the technical adequacy of the application, including conceptual or detailed decommissioning and reclamation plans, (ii) assessing the accuracy of the cost estimates provided by applicants with respect to decommissioning and reclamation plans, (iii) assessing the adequacy of proposed financial assurances, and (iv) reviewing proposals for release of funds comprising, or realized from financial assurances. The membership of the committees referred to above may also include, in addition to representatives of AECB and SERM, other personnel from the government or private sectors, as deemed appropriate and agreed upon by AECB and SERM on a case-by-case basis.
2. When staff of SERM and AECB conclude that a particular decommissioning and reclamation plan, including proposed financial assurances, satisfies the requirements of their respective agencies, the conclusion of each party will be communicated forthwith to the other, and their conclusions will be indicated by a document, or documents, to that effect executed by designated officers or delegated officials of the AECB and SERM.
3. Where the regulatory approvals and licensing processes of the AECB or SERM require that a decision or action be taken by the appointed members of the AECB (hereinafter, "the Board") or the Minister of SERM (hereinafter, "the Minister") with respect to the approval of proposed decommissioning and reclamation or financial assurances plans, the conclusions of AECB and SERM staff referred to in paragraph 2 above shall not be construed, for purposes of this agreement, as binding on the Board or the Minister. In such instances, these conclusions will constitute the basis for relevant reports or recommendations to the Board or the Minister. If the Minister or the Board disagrees with these reports or recommendations, or identifies issues that require further study by AECB or SERM staff, a joint review process analogous to that described in paragraph 1. above will be adopted by the staff of the AECB and SERM in order to co-ordinate further staff responses to the Board and the Minister.
4. Subject to paragraph 3, above, where the regulatory approvals and licensing processes of the AECB or SERM permit the approval by designated officers or delegated officials of decommissioning and reclamation plans, including financial assurances provisions, the conclusions of AECB and SERM staff which are described in paragraph 2. above shall form the basis of related staff reports or recommendations to such officers or officials.

Should staff of the AECB and staff of SERM be unable to agree within a reasonable period of time on one or more essential points concerning the acceptability, or unacceptability of decommissioning and reclamation plans or financial assurances proposals, AECB and SERM staff will document their respective areas of disagreement and the reasons therefor, and will submit this documentation to the Associate Deputy Minister (ADM) of SERM and the Director-General (DG) of the Fuel Cycle and Materials Regulation Directorate of AECB. The ADM of SERM and the DG of AECB may employ any means mutually agreed upon, such as the retention of consultants or specialist expertise, in order to reach agreement. The costs incurred for such measures will be borne equally by the AECB and SERM.

6. Should the ADM of SERM and the DG of Fuel Cycle and Materials Regulation, AECB, not achieve an acceptable resolution through the process described in 5. above, they will document their areas of concern and the reasons therefor, and will forward this documentation to the Deputy Minister of SERM and the President of the AECB.
7. Steps 1. to 6. above will be repeated as necessary throughout the lifetimes of individual uranium mining facilities in response to applications or modified proposals with respect to decommissioning and reclamation plans, including financial assurances, and the costing of such decommissioning and reclamation plans.

B. FINANCIAL ASSURANCES AND DISBURSEMENTS

8. Disbursements, in whole or part, of monies realized from or comprising financial assurances will only be approved by AECB and SERM for the purposes of implementing in whole or in part , the corresponding decommissioning activities approved by the AECB and the Minister; or, reimbursing legitimate costs incurred during implementation of approved decommissioning and reclamation plans; or in order to return surplus monies or assets to the owner/operator of a uranium mining facility in Saskatchewan. All such disbursements will require prior approvals from the AECB and SERM, and will be subject to applicable regulations or regulatory requirements.
9. In the event that the owner/operator is unwilling or unable to complete decommissioning and reclamation activities approved by the AECB and SERM in a timely manner, disbursements may also be made, subject to relevant legislation or documentation, to another party for purposes of funding the implementation of approved decommissioning and reclamation plans.
10. The AECB and SERM will ensure that copies of requests received by AECB or SERM from the owners/operators of uranium mining facilities in Saskatchewan with respect to approval of disbursements from financial assurances are also provided to the other party.

Upon receipt by either AECB or SERM of a request for the disbursement of funds comprising, or monies realized from, a financial assurance established to ensure the decommissioning and reclamation of a uranium mining facility, SERM and AECB will consult with each other regarding the request. If both AECB and SERM are satisfied that the request for disbursement should be approved, as received or with conditions, they will consult further with each other with the intent to ensure that any approval issued by either part in response to the request for disbursement is consistent with any approval issued by the other party in response to the same or a comparable request. If acceptable to both AECB and SERM, one document may constitute an approval for both AECB and SERM purposes.

12. Should the staff of the AECB and the staff of SERM be unable to agree within a reasonable period of time with respect to conditions which are to govern a disbursement, for the purpose of implementation of approved decommissioning and reclamation activities in accordance with paragraph 8, above, of monies comprising, or realized from, the financial assurances provided for a uranium mining facility, the matter will be dealt with by a process analogous to that described in paragraphs 5 and 6 above with respect to decommissioning and reclamation and financial assurance plans.

C. SPECIAL CIRCUMSTANCES

13. Should an owner/operator of a uranium mining facility in Saskatchewan default on his obligations to satisfactorily implement the approved decommissioning and reclamation plan, the AECB and SERM will consult to determine mutually acceptable follow-up actions. Such actions may include, but will not necessarily be restricted to, the approval of other parties to oversee or implement the approved decommissioning and reclamation plan in accordance with the requirements of the AECB and SERM. Any provisions agreed-upon by the AECB and SERM with respect to administration or implementation of the approved decommissioning and reclamation plan by agents acceptable to the AECB and SERM will be arranged to be sufficiently independent of the regulatory functions of the AECB and SERM as to not constitute a conflict-of-interest for either party.

SIGNED IN DUPLICATE IN THE ENGLISH AND FRENCH LANGUAGES


Stuart Kramer, Deputy Minister
Saskatchewan Environment
and Resource Management


Agnes J. Bishop, President
Atomic Energy Control Board

Dated: *March 6/96*, Regina.

Dated: *14 Mar/96*, Ottawa.