



## **Oral presentation**

### **Submission from the Canadian Coalition for Nuclear Responsibility**

In the Matter of the

#### **Canadian Nuclear Laboratories**

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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**

## **Exposé oral**

### **Mémoire du Regroupement pour la surveillance du nucléaire**

À l'égard des

#### **Les Laboratoires Nucléaires Canadiens**

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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**





To Whom It May Concern  
Canadian Nuclear Safety Commission

December 11 2017

Thank you for the opportunity to comment in writing on the proposed re-licencing of the Chalk River Nuclear Research and Test Establishment Operating Licence. I intend to make an oral presentation on behalf of the Canadian Coalition for Nuclear Responsibility during the CNSC hearings in Pembroke on January 24-25, 2018.

#### Who We Are

The Canadian Coalition for Nuclear Responsibility (CCNR) was formed in 1976 and was federally incorporated as a non-profit NGO in 1978. CCNR is dedicated to education and research on all issues related to nuclear energy, whether civilian or military, including non-nuclear alternatives – especially those pertaining to Canada. CCNR has often intervened in CNSC licensing hearings, testified before inquiries and Parliamentary Committees, and participated in EAs of nuclear facilities.

In particular, CCNR cooperated with Concerned Citizens of Renfrew County and Area (CCRCA) in preparing a submission for the 2011 CNSC public hearings on the licencing of the Chalk River facilities [[http://ccnr.org/crl\\_sacrifice.pdf](http://ccnr.org/crl_sacrifice.pdf)] and in 2016 for CNSC's two-year extension of the 2011 licence [[http://ccnr.org/CCRC\\_CRL\\_2016.pdf](http://ccnr.org/CCRC_CRL_2016.pdf)].

#### AECL, The Current Licensee

The 2011 Chalk River licence was granted to Atomic Energy of Canada Limited (AECL), a crown corporation wholly owned by the Government of Canada. AECL was at that time responsible for operating the Nuclear Research and Test Establishment and for implementing the federal government's Nuclear Legacy Liabilities Program. AECL's funding was allocated through the Ministry of Natural Resources. At that time the estimated dollar value of the federal government's liability associated with AECL's Nuclear Legacy radioactive wastes ranged from \$6 billion to \$10 billion. In 2017 the Auditor General estimated the Nuclear Legacy Liability at over \$7.9 billion.

Big changes have taken place since the 2011 licence was granted. A private consortium of five profit-oriented multinational corporations (SNC Lavalin, Fluor, Atkins, Rolls-Royce, and CH2M) has been contracted to run the federally-owned nuclear facilities at Chalk River, and to manage the nuclear legacy liability wastes, under a "GoCo" (government owned,

contractor operated) arrangement. The consortium calls itself the Canadian National Energy Alliance (CNEA).

According to the Auditor General's March 2017 Report to the Board of Directors of AECL, "September 2015 marked the completion of a restructuring process that implemented [AECL's] new role and reduced its workforce from approximately 3,400 employees to 40." As AECL emerged from the transition, the AG Report notes, the Privy Council Office (PCO) couldn't fill vacant positions at the Crown corporation's helm, hobbling the latter's ability to make good long-term choices.

For example, AECL did not have a chairperson for its board for eight months in 2016 and had an interim one for the 10 months after that. It was without any board directors throughout all of 2016 and most of 2017, and remains without a full roster of seven directors today. AECL had no president and CEO for a 21-month stretch between April 2015 and February 2017, and it currently only has one person serving in that role on an interim basis for a year.

Nevertheless, AECL "retains ownership of all lands, facilities, intellectual property, other assets, and liabilities." In addition, AECL's staff of about 40 people "monitors the contractor's operations under the GoCo arrangement at eight sites across Canada." The monitoring of the GoCo arrangement involves engaging with the contractor so that [AECL] can achieve a number of tasks, including approving long-term (5- and 10-year) strategic plans, reviewing and approving annual work plans, negotiating annual performance incentives, and ensuring compliance with the GoCo arrangement.

The AG Report says "AECL's Federal funding for the 2016-17 fiscal year was set at \$969 million, to be used toward the contractor's operating expenses and [AECL's] operations. The amount consisted of \$530 million for decommissioning and waste management, and \$439 million for nuclear science and technology (including \$160 million for capital investments)." In the following fiscal year the federal funding for AECL was also nearly a billion dollars, for a total of almost two billion dollars in just two years. Evidently, the lion's share of this money has gone to pay for the consortium's operating expenses.

#### CNL, The Proposed Licensee

The CNSC is presently being asked to grant a ten-year licence to Canadian Nuclear Laboratories (CNL) to run the Chalk River Nuclear Research and Test Establishment.

CNL was originally created in 2014 by the Harper administration as a wholly-owned subsidiary of AECL. However, in late September 2015, ownership of CNL was transferred to the consortium of five multinationals mentioned above, chosen by the Harper administration following a bidding process.

So CNL, with over 3000 employees, most of them having very little experience with GoCo arrangements according to the AG, is now a private for-profit organization run by the consortium and funded by Canadian taxpayers through AECL, which now receives hundreds of millions of dollars every year directly from the Canadian Treasury without involving the Ministry of Natural Resources.

Thus the current staff of about 40 people at AECL are responsible for the judicious expenditure of many billions of dollars in taxpayer's money by a powerful consortium of multinational corporations at eight different locations over the period of the proposed ten-year licence. And all this, without a president/CEO, without a permanent chairman of the Board, and without a full slate of Directors.

### The Wrong Licence?

The Canadian Coalition for Nuclear Responsibility is opposed to the granting of a ten-year operating licence to CNL for the operation of the Chalk River Nuclear Research and Test Establishment, for a number of reasons.

First, we believe that any operating licence should be given to the crown corporation AECL and not to the private consortium that owns and runs CNL, because AECL holds the purse strings in trust from the Canadian taxpayers, retains ownership of all the assets and liabilities, and is dedicated solely to the welfare of Canada and its citizens rather than having a divided loyalty due to a corporate imperative to maximize the financial benefits of corporate shareholders.

Second, the consortium CNEA is operating under a time-limited contract with AECL, and that contract will be renegotiated long before a ten-year CNSC licence issued in 2018 will expire in 2028.

Third, AECL is suffering from a number of serious organizational handicaps that prevent the crown corporation from developing and confirming 5- and 10-year plans that may not be subject to reversals as new Directors and Officers come on board. These serious shortcomings are specifically identified in the Auditor General's Report. It will take at least a year or two for AECL to rectify these weaknesses.

Fourth, the proposed ten-year licence is less precise and less rigorous than the current licence, as documented in detail in the submission from the Concerned Citizens of Renfrew County and Area (CCRCA). The new licence is also less transparent, as it relegates many of regulatory requirements to CSA standards that are not freely accessible to citizens.

Fifth, the consortium running CNL has put forward explicitly documented proposals for only three projects, which have long-term implications for health and the environment, none of which has survived an environmental assessment process or the public hearings that would follow such an EA. These three projects are: (1) the Near Surface Disposal Facility at Chalk River, about one kilometre from the Ottawa River; (2) the in-situ entombment and abandonment of the WR-1 reactor 500 metres from the Winnipeg River, and (3) the in-situ entombment and abandonment of the NPD power reactor at Rolphton right beside the Ottawa River.

For all these reasons and more, the Canadian Coalition for Nuclear Responsibility strongly urges that the ten-year licence application be rejected and in its place, the current 2011 licence be extended for a maximum of two years – as was done before in 2016 – with one additional requirement, as stipulated below.

CCNR believes that CNSC should, as part of the licence extension, require AECL, the licensee, to instruct its contractor, CNL, to use that licence extension period to prepare a detailed plan for the complete remediation of the Chalk River site, including the proper characterization, segregation, packaging, labelling and disposition of all categories of radioactive waste and other persistent toxins such as heavy metals, asbestos, DDT, and reprocessing chemicals.

Because the primary mandate of the CNSC is to protect the health and safety of citizens and the environment, we believe that CNSC is duty-bound to ensure that the vast sums of public money flowing into the coffers of the consortium be allocated, on a first priority basis, to the safe and secure containment of these toxic wastes for thousands of years to come. The hazardous nature of these materials will remain long after AECL, CNL, and CNSC are gone and forgotten.

It is essential to keep these long-lived radioactive and toxic materials as far away from major bodies of water as possible. Future generations will need to know the toxic inventory in order to protect themselves from leakage or failure of containment centuries hence, thus a complete inventory must be part of the plan.

Instead of granting CNL a 10-year licence that will allow the consortium to pursue its dream of profits through the deployment of advanced reactor designs, CNSC should keep the consortium on a short lease until they can show that they are willing and able to leave no stone unturned in pursuing a genuine commitment to health, safety and environmental protection. Canadian taxpayers deserve no less.

First Nations and other Canadians should be consulted in a meaningful way during the preparation of such a site decommissioning plan, and not merely informed after the plan has been predicated.

Thank you for considering these views.

Gordon Edwards, PhD, President,  
Canadian Coalition for Nuclear Responsibility.

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