

1 **ONE-DAY HEARING**

2 **Atomic Energy of Canada Limited: Financial**
3 **guarantee for decommissioning of Whiteshell**
4 **Laboratories**

5 The next item on the agenda is a
6 One-Day Hearing on the matter of the financial
7 guarantee for the decommissioning of the
8 Whiteshell Laboratories.

9 This is a One-Day Public Hearing.
10 The Notice of Public Hearing 2004-H-13 was
11 published on June 22nd, 2004.

12 The public was invited to
13 participate either by oral presentation or written
14 submission. August 16th, 2004 was the deadline
15 set for filing by intervenors. The Commission
16 received two requests for intervention.

17 September 8th was the deadline for
18 filing of supplementary information and I note
19 that supplementary information has been filed by
20 the applicant and an intervenor.

21 Before we begin with the
22 presentations -- and we are going to do actually
23 all four presentations before we open for
24 questions today -- I would like to address the
25 issue raised by intervenors considering the venue

1 for this hearing.

2 Manitoba Conservation and the
3 Local Government District of Pinawa have expressed
4 disappointment that the Commission is not holding
5 this hearing in Manitoba.

6 I and my colleagues on the
7 Commission wish to reassure everyone in Manitoba
8 that the Commission is deeply interested in the
9 public and stakeholder views in Manitoba and we
10 know that you are the most directly affected by
11 this project.

12 However, the Commission holds many
13 public hearings during the year on nuclear
14 facilities and activities and these facilities are
15 located across the country. While the Commission
16 understands and appreciates the desire of many
17 communities to have us come to their communities
18 in person and we receive many requests in that
19 regard, it is unfortunately not possible in the
20 majority of cases to do so. The cost and the
21 logistical challenges simply do not allow us to go
22 on the road that often.

23 For example, with the current
24 session of public hearings, the Commission covers
25 a wide range of parties and locations on the same

1 day and in the same session, and therefore, the
2 majority of the hearings are located in the
3 national headquarters in Ottawa.

4 The Commission assists parties by
5 allowing for and encouraging the submission of
6 written interventions and by making arrangements
7 for intervenors to participate by teleconference
8 or by video-conference. In fact, we had an
9 intervenor participate very effectively by
10 video-conference, in yesterday's proceedings, from
11 Saskatoon.

12 All interventions, whether written
13 or oral, are given equal consideration by the
14 Commission in making its decisions.

15 We do take note of the requests
16 from the intervenors from Manitoba for us to visit
17 and to have hearings there and we will continue to
18 look for opportunities in those communities as
19 logistics and schedule permit.

20 So on that basis, what I would
21 like to do is proceed.

22 I am going to start by calling on
23 the presentation from Atomic Energy Canada
24 Limited, outlined in CMD 04-H22.1 and 04-H22.1A,
25 and I will turn to Dr. Fehrenbach again.

1 Sir, the floor is yours.

2

3 **04-H22.1 / 04-H22.1A**

4 **Oral presentation by Atomic Energy Canada Limited**

5 DR. FEHRENBACH: Thank you, Madam
6 Chair, members of the Commission, for the
7 opportunity, again, to speak with you about the
8 financial guarantee for decommissioning of
9 Whiteshell Laboratories.

10 This presentation, of course, is
11 further to the presentation made earlier for
12 decommissioning of financial guarantee for Chalk
13 River, MAPLE and the New Processing Facilities at
14 Chalk River.

15 Again, before beginning, I would
16 like to introduce the new members of our
17 presentation team.

18 To my right is Dr. Bill
19 Kupferschmidt, General Manager of Decommissioning
20 and Waste Management and the Site Licence Holder
21 for the Whiteshell site.

22 I would ask people to raise their
23 hand so people can associate the name with the
24 face.

25 Jean Pierre Letourneau is still

1 beside Bill.

2 Behind me is Wayne TerMarsch,
3 Finance Director of Nuclear Laboratories, and
4 Bruce Lange.

5 A new member of the team is Grant
6 Koroll, who is Manager of the Whiteshell
7 Laboratories Decommissioning Project.

8 In the last row is Ray Lambert and
9 a new member of the team there is Bob McCamis, who
10 is the Whiteshell Laboratories Nuclear Facility
11 Authority.

12 So the subject areas that I would
13 like to address in this presentation cover, again,
14 background information related to the 2002 licence
15 approval, our position on the financial guarantee
16 for decommissioning of the Whiteshell site, some
17 examples of decommissioning process at Whiteshell
18 in the last two years, and I will close with some
19 concluding remarks.

20 Starting with some background, in
21 2002 May, AECL applied for a six-year
22 decommissioning licence for the Whiteshell
23 Laboratories site. The requested licensing time
24 frame was selected to approximately coincide with
25 the first of the three decommissioning phases

1 which were described in the Whiteshell Detailed
2 Decommissioning Plan or in DDP. This plan for the
3 Whiteshell site had been found by Environment
4 Canada and by the CNSC to be acceptable.

5 The CNSC issued on 2002 December
6 20th the Whiteshell Nuclear Research and Test
7 Establishment Decommissioning Licence and Licence
8 Condition 11.1 required that AECL provide by 2003
9 December 31st a financial guarantee acceptable to
10 the Commission or a person authorized by the
11 Commission and, of course, this is the subject of
12 our hearing today.

13 In the CNSC Record of Proceedings,
14 the Commission also requested CNSC staff to
15 present interim status reports to the Commission
16 approximately every two years during the term of
17 the licence.

18 The first report to the Commission
19 was specified to be due later this year but I will
20 provide some brief examples of our progress to
21 date today.

22 Madam Chair, members of the
23 Commission, to meet the requirement of the
24 previously mentioned Whiteshell Licence Condition
25 11.1, AECL submitted to the CNSC on 2003 December

1 16th a copy of the letter from the Minister of
2 EnerCan, which we discussed in the previous
3 presentation.

4 Our view is, therefore, that the
5 requirement for financial guarantee for Whiteshell
6 decommissioning has also been met and we are in
7 agreement with the CNSC staff position expressed
8 in the Commission Member Document 04-H22.

9 With respect to implementation of
10 this financial guarantee, as I previously stated
11 in the presentation on the Chalk River guarantee,
12 AECL's corporate planning process is the framework
13 used to allocate funding for decommissioning work
14 over the planned period. In fact, Whiteshell
15 Decommissioning Project is one of several
16 decommissioning projects included in the current
17 AECL five-year corporate planning forecast.

18 To illustrate the progress made to
19 date, I would like to give you a few examples of
20 the decommissioning-related work done since the
21 Whiteshell Decommissioning Licence became
22 effective in 2003 January.

23 The Quality Assurance Program for
24 decommissioning of the Whiteshell site is
25 established, the Decommissioning Quality Assurance

1 Plan was issued for implementation in 2003
2 January, and an internal audit was completed in
3 the same year on that plan and the audit
4 recommendations have been implemented.

5 The Neutron Generator and the Van
6 de Graaff Accelerator, both significant facilities
7 in the Whiteshell site, are not fully
8 decommissioned.

9 Decommissioning of hot cells 6-12
10 and the Scanning Electron Microscope in the
11 Shielded Facilities is also near completion.

12 The Active Liquid Waste
13 Solidification Plant is installed and commissioned
14 and the design of the above-ground storage bunker
15 to store the solidified waste is completed.

16 Characterization of the Cesium
17 Experimental Ponds is completed and a remediation
18 plan has been prepared.

19 Non-nuclear structures have been
20 inspected and surveyed to confirm that no
21 contamination has resulted from adjacent nuclear
22 operations.

23 All redundant temporary structures
24 have been removed and some site services have been
25 modified to facilitate decommissioning work.

1 I go through these examples to
2 indicate to the Commission and provide assurance
3 that although we speak about financial guarantees
4 and plans, in fact, in reality, things are
5 happening and moving forward.

6 Regarding public consultation,
7 AECL has initiated the formation of a Public
8 Liaison Committee made up of elected municipal
9 officials from the region, on-site business
10 tenants and a senior official from Manitoba
11 Conservation. The Committee operates under
12 written terms of reference. CSNC staff are
13 invited and have attended recent meetings.

14 AECL has also established a
15 communication protocol with Sagkeeng First Nation
16 and meets periodically with the Band Council.
17 Youth of Sagkeeng First Nation have been involved
18 in the meetings and tours of the Whiteshell site.

19 The Environmental Assessment
20 Follow-up Program is being implemented on the
21 committed schedule.

22 Establishment of the Enhanced
23 Monitoring Programs is well advanced.

24 A fitness-for service assessment
25 of medium-level waste bunkers has been completed.

1 In the meantime, the WR-1 Reactor
2 has been maintained in the storage-with-
3 surveillance state, already established through
4 decommissioning work completed in 1994.

5 Finally, I would like to inform
6 you that AECL is reviewing the potential for
7 accelerating phases 2 and 3 of Whiteshell
8 decommissioning, as recommended during the 2002
9 November hearings, and will engage the regional
10 stakeholders in a review of any proposed changes
11 as a result of this review.

12 In conclusion, Madam Chair and
13 members of the Commission, I would like to
14 reiterate our view that AECL has met the
15 requirement of the Licence Condition for a
16 decommissioning financial guarantee for
17 Whiteshell.

18 We are also confident that the
19 AECL corporate planning process for funding
20 decommissioning work will continue to provide the
21 required funding for decommissioning activities at
22 Whiteshell.

23 Thank you for providing AECL the
24 opportunity to address the Commission in this
25 public setting.

StenoTran

1 THE CHAIRPERSON: Thank you.

2 We will now move to the
3 presentation by CNSC staff. This is outlined in
4 CMD document 04-H22. I will turn to Mr. Barclay
5 Howden, DG, for the presentation.

6 Mr. Howden, you have the floor.

7

8 **04-H22**

9 **Oral presentation by CNSC staff**

10 MR. HOWDEN: Thank you. Good
11 afternoon, Madam Chair, members of the Commission.

12 For the record, my name is Barclay
13 Howden. I am the Director General of the
14 Directorate of Nuclear Cycle and Facilities
15 Regulation.

16 With me today are Mr. Greg
17 Lamarre, Director of the Research Facilities
18 Division; Mr. Bob Lojk, Director of the Waste and
19 Geosciences Division; and the rest of the CNSC
20 Licensing Team for this issue.

21 Mr. Lamarre will be making the
22 presentation today to the Commission on behalf of
23 the CNSC staff.

24 MR. LAMARRE: Thank you, Mr.
25 Howden.

1 For the record, my name is Greg
2 Lamarre.

3 CNSC staff has reviewed AECL's
4 proposal for a financial guarantee for the
5 decommissioning of AECL's Whiteshell Laboratories.

6 The primary purpose of this
7 presentation is to outline staff's position on the
8 proposed financial guarantee so that the
9 Commission can make a decision on its
10 acceptability.

11 A secondary purpose of this
12 presentation is to present to the Commission
13 information on the decommissioning planning for
14 Whiteshell.

15 CMD 04-H22 is being submitted
16 today to the Commission for a decision on the
17 acceptability of the financial guarantee for
18 decommissioning proposed by AECL for its
19 Whiteshell Laboratories.

20 This presentation will therefore
21 begin with a brief overview of the Whiteshell
22 Laboratories and background information related to
23 CMD 04-H22.

24 This will be followed first by a
25 discussion of key issues relevant to a financial

1 guarantee, next by an outline of the financial
2 guarantee arrangement proposal from the licensee,
3 and finally by some additional notes with respect
4 to decommissioning of the facility.

5 My presentation will end with
6 conclusions and recommendations of CNSC staff with
7 respect to the financial guarantee arrangement for
8 the Whiteshell Laboratories.

9 Whiteshell Laboratories are a
10 nuclear research and test establishment located in
11 Manitoba, approximately 100 kilometres northeast
12 of Winnipeg, near the municipalities of Pinawa and
13 Lac du Bonnet.

14 The Laboratories comprise a number
15 of nuclear and non-nuclear facilities.

16 The main nuclear facilities
17 include the WR-1 Reactor, the Shielded Facilities,
18 the Research Laboratories, the Solid Radioactive
19 Waste Management area, the Decontamination Centre
20 and concrete canister storage containing
21 irradiated reactor fuel.

22 The current Whiteshell licence
23 authorizes AECL to operate and undertake Phase 1
24 decommissioning activities at the Whiteshell
25 Laboratories until December 31st, 2008.

1 As part of this licence, Condition
2 11.1 requires AECL to provide no later than
3 December 31st, 2003 a financial guarantee
4 acceptable to the Commission or a person
5 authorized by the Commission.

6 CMD 04-H22 is being submitted to
7 the Commission today for a decision on the
8 acceptability of the financial guarantee
9 arrangement submitted by AECL for the Whiteshell
10 Laboratories.

11 In its Regulatory Guide G206,
12 entitled "Financial Guarantees for the
13 Decommissioning of Licensed Activities," the CNSC
14 states that:

15 "An acceptable form of
16 guarantee includes, amongst
17 others, express commitments
18 from a government, whether
19 federal or provincial."

20 (As read)

21 In addition, in its Record of
22 Proceedings including Reasons for Decision Errata
23 of January 23rd, 2003, the Commission agreed that:

24 "The financial guarantee for
25 the Whiteshell Laboratories

1 can consist of a fund and/or
2 a government commitment."

3 (As read)

4 The Government of Canada
5 incorporated AECL pursuant to provisions of the
6 *Atomic Energy Control Act*, now the *Nuclear Energy*
7 *Act*. By virtue of Subsection 11(2) of the *Nuclear*
8 *Energy Act*, AECL, which is listed as a Schedule 3
9 Part I Crown Corporation under the *Financial*
10 *Administration Act*, is for all its purposes an
11 agent of Her Majesty in Right of Canada.
12 Therefore, any liabilities incurred by AECL are
13 ultimately liabilities of Her Majesty in Right of
14 Canada.

15 CNSC staff accepts that given that
16 AECL is an agent of Her Majesty in Right of
17 Canada, any liabilities, including the cost of
18 decommissioning of any of AECL's nuclear
19 facilities, are liabilities of Her Majesty in
20 Right of Canada.

21 On December 16th, 2003, AECL
22 submitted a letter signed by the Minister of
23 Natural Resources Canada, the Honourable Herb
24 Dhaliwal, as AECL's proposal for a financial
25 guarantee. The letter reaffirmed that:

1 "As an agent of Her Majesty
2 in Right of Canada, AECL's
3 liabilities are ultimately
4 liabilities of Her Majesty in
5 Right of Canada." (As read)

6 The letter from the Minister of
7 Natural Resources Canada is considered as an
8 express commitment from the government.

9 The proposed arrangement would
10 cover all costs of all phases of decommissioning
11 and would continue to apply whether or not AECL
12 itself were capable of meeting its obligations as
13 long as AECL is an agent of the Crown.

14 Therefore, the proposed financial
15 guarantee arrangement for AECL's Whiteshell
16 Laboratories facilities fulfils the acceptance
17 criteria of sections 4.3 and 5.2.5 of CNSC
18 Regulatory Guide G206, entitled "Financial
19 Guarantees for the Decommissioning of Licensed
20 Activities."

21 Should AECL's status as an agent
22 of the Crown change, the matter of an acceptable
23 financial guarantee should be revisited.

24 AECL's decommissioning plan
25 includes three phases of decommissioning.

1 For the first phase of
2 decommissioning, AECL submitted a Detailed
3 Decommissioning Plan that characterizes the
4 hazards associated with Phase 1 decommissioning
5 and their potential impacts.

6 Only the Detailed Decommissioning
7 Plan for phase I has been approved previously by
8 the Commission. It was accepted by the Commission
9 that:

10 "With the measures and
11 programs that AECL has in
12 place to protect the health
13 and safety of persons as well
14 as the environment, the risk
15 to the public, workers and
16 the environment was
17 acceptably low throughout the
18 licence period for Phase 1
19 decommissioning."

20 (As read)

21 All decommissioning work plans
22 that come after Phase 1 decommissioning will be
23 the subject of future applications to the
24 Commission.

25 As of yet, no application has been

1 received from AECL and the timing and extent of
2 the next phase of decommissioning has not yet been
3 determined.

4 Phase 1 decommissioning is
5 presently under way. Phase 1 decommissioning is
6 scheduled to last approximately six years, that
7 is, for the duration of the present licence
8 period.

9 CNSC staff will be submitting
10 shortly to the Commission a CMD on the progress of
11 decommissioning activities undertaken by AECL
12 during the first two years covered by this
13 licence.

14 Many of the activities carried out
15 under Phase 1 decommissioning are intended to put
16 the facilities in a safe shutdown state.

17 In addition, while carrying out
18 decommissioning activities during Phase 1, AECL
19 will be gathering the information necessary for
20 the planning, preparation and assessment of
21 subsequent decommissioning phases.

22 AECL will then be required to
23 submit detailed decommissioning plans for
24 decommissioning Phases II and III.

25 It should be noted that some parts

1 of the Whiteshell Laboratories are intended to
2 remain in operation throughout most of the
3 decommissioning period, notable the active liquid
4 waste treatment centre, the waste management area
5 and the decontamination centre. These facilities
6 will be among the last to be decommissioned at
7 Whiteshell.

8 Staff therefore concludes that,
9 first of all, the financial guarantee arrangement
10 submitted by AECL meets the criteria for an
11 acceptable financial guarantee for all phases of
12 decommissioning as long as AECL remains an agent
13 of Her Majesty in Right of Canada.

14 Secondly, staff concludes that
15 AECL has met Licence Condition 11.1 of its current
16 Nuclear Research and Test Establishment
17 Decommissioning Licence which states:

18 "The licensee shall provide
19 no later than December 31st,
20 2003 a financial guarantee in
21 a form and of a value
22 acceptable to the Commission
23 or a person authorized by the
24 Commission."

25 (As read)

1 Staff therefore recommends that
2 the Commission accept the proposed financial
3 guarantee arrangement submitted by AECL for the
4 decommissioning of Whiteshell Laboratories.

5 Should AECL's status change such
6 that it is no longer an agent of Her Majesty in
7 Right of Canada, the financial guarantee
8 arrangement for decommissioning should be
9 revisited.

10 To sum up this presentation, I
11 have given an overview of the facility, followed
12 by an outline of key aspects relevant to a
13 financial guarantee and a description of the
14 financial guarantee arrangement submitted by AECL
15 for decommissioning the Whiteshell Laboratories.
16 My presentation ended with the conclusions and
17 recommendations of CNSC staff with respect to the
18 proposed financial guarantee arrangement submitted
19 by AECL.

20 This concludes my presentation. I
21 will now turn over the floor to Mr. Howden.

22 MR. HOWDEN: Thank you.

23 Madam Chair, that concludes our
24 presentation. We will be available for questions
25 after the other presentation.

1 THE CHAIRPERSON: Thank you very
2 much.

3 Because of travel constraints, we
4 are going to change our normal order and we are
5 going to go directly to the oral presentation by
6 Manitoba Conservation. These are outlined in CMD
7 documents 04-H22.2 and 04-H22.2A and we have the
8 Director of the Environmental Approvals Branch
9 with us.

10 Sir, the floor is yours.

11

12 **04-H22.2 / 04-H22.2A**

13 **Oral presentation by Manitoba Conservation**

14 MR. STRACHAN: Thank you, Madam
15 Chair, commissioners. I thank you for altering
16 your schedule to accommodate my schedule.

17 My name is Larry Strachan. I am
18 the Director of the Environmental Approvals Branch
19 for Manitoba Conservation. In that capacity, I
20 administer the environmental assessment and
21 licensing process under the *Manitoba Environment*
22 *Act*.

23 I am appearing on behalf of Mr.
24 Dave Watton who has appeared before you previously
25 on this file.

1 Manitoba has four overall concerns
2 that remain on the Decommissioning Plan: the
3 timeline for the plan; we see it as storage rather
4 than decommissioning; the financial guarantee; and
5 the local Manitoba Public Hearing.

6 In our view, the 60-year
7 Decommissioning Plan and the 200-year Monitoring
8 Plan is unacceptable as we view the proposal as
9 long-term storage rather than decommissioning.

10 We have and will continue to argue
11 for a shorter proposal that results in the
12 treatment and disposal of the waste and removal of
13 all the high-level waste to secure storage.

14 I welcome the comments I believe I
15 heard from AECL just a moment ago that they are
16 looking at accelerating Phase 2 and 3 of this
17 Decommissioning Plan.

18 The financial guarantee proposed
19 is unacceptable to Manitoba and I will comment in
20 more detail on that in a moment.

21 I acknowledge your comments at the
22 opening, Madam Chair, on the Manitoba Public
23 Hearing, so I won't dwell on that in any extent.

24 Our position on the financial
25 guarantee requirement is that it should be in full

1 compliance with CNSC policy and guides. It should
2 include the estimates of the cost of implementing
3 the full Decommissioning Plan; there should be a
4 description of the financial guarantee, and in our
5 view, it should be an economic model of some kind;
6 it should have no burden on future generations;
7 and it should contain a policy commitment and
8 assurance over the duration of the project.

9 We note, as others have in this
10 hearing today, that the Regulatory Guide 206 calls
11 for in part:

12 "...provision of credible
13 estimates of implementing
14 decommissioning plans;
15 estimates of costs, including
16 management or disposal of all
17 waste and unit costs for each
18 phase of the decommissioning
19 plan;
20 a funding measure that
21 adequate resources will be
22 available to fund
23 decommissioning activities;
24 the financial guarantee to be
25 at arm's-length from the

1 licensee." (As read)

2 I also note that the *Nuclear Fuels*
3 *Waste Act* requires a trust fund to be established
4 for this matter.

5 Manitoba currently has not seen
6 any information submitted that would address these
7 Guide requirements or the legislative requirements
8 of the new *Nuclear Fuels Waste Act*.

9 Regulatory Guide 206 also outlines
10 express commitment from the government as an
11 example of a financial guarantee and this appears
12 to be the mechanism used by AECL and accepted by
13 staff to this Commission.

14 Manitoba cannot accept the
15 December 11th, 2003 Dhaliwal letter as an express
16 commitment from a government in the absence of the
17 basic information required for the guarantee. We
18 find it to be somewhat incredulous that such a
19 letter would be filed without information
20 respecting the amount of liability that might
21 accrue to governments and, more importantly, to
22 present and future taxpayers.

23 We will also be interested, Madam
24 Chair, on whether the current minister and current
25 government support this commitment that has been

1 filed.

2 Also, in our view, the express
3 commitment places the onus on future generations
4 to fund the decommissioning. We see this as
5 contrary to your policy, Madam Chair, and in
6 contradiction to the 1995 directive from the
7 Auditor General and contrary to the *Nuclear Fuels*
8 *Waste Act*.

9 Manitoba would also be interested,
10 based on this guarantee, as to how this Commission
11 could access adequate funds if AECL is unable to
12 fulfil its obligations.

13 We note that the private sector is
14 required to post significant financial insurance.
15 I was here briefly yesterday and I noted that the
16 Key Lake operation has posted a bond of some sort
17 in the order of \$45 million. We wonder why the
18 public and the private sector are treated
19 differently in this matter.

20 Our concerns on the financial
21 guarantee. In our view, the January 23rd, 2003
22 Record of Proceeding Errata weakened the concept
23 and policy of the guarantee that was going to be
24 required. We haven't seen any explanation of the
25 reasons for the errata.

1 There is no overall proposal
2 description by AECL, there is no full cost
3 estimates for the total plan and we are quite
4 concerned that the plan and the guarantee will
5 have a burden on future generations.

6 In conclusion, Madam Chairman --
7 and I expect you have perhaps seen the slide
8 because it is taken from one of Dave Watton's
9 previous presentations, but I would just like to
10 reiterate that this young Manitoba girl would be
11 65 years old by the time Phase 3 of the proposal
12 of AECL is complete. Will she, her children and
13 her grandchildren face the burden of the AECL
14 plan?

15 We would request that you not
16 close your eyes to the size, the complexity, the
17 risk and the cost of the proposed plan.

18 We would request that you do not
19 close your eyes to the utmost importance of the
20 proper management, treatment, disposal and secure
21 storage of the waste in the shortest time frame
22 possible.

23 We would request that you do open
24 your eyes to the substantial funding that will be
25 required for the proper management, treatment,

1 disposal and storage of the waste.

2 We request that you do open your
3 eyes and require AECL to provide an economic model
4 that will secure the necessary funding now for the
5 proposal and that will not be an unnecessary
6 burden on future generations.

7 We would also request that you
8 open your eyes and recognize the importance and
9 necessity of a local Manitoba Public Hearing.

10 Thank you, Madam Chair.

11 THE CHAIRPERSON: Thank you very
12 much.

13 We will then move to the next
14 submission, which is an oral presentation by the
15 Local Government District of Pinawa, outlined in
16 CMD documents 04-H22.3 and 04-H22.3A, and I
17 believe Mr. Skinner, the Deputy Mayor, is with us
18 today.

19 Sir, the floor is yours.

20

21 **04-H22.3 / 04-H22.3A**

22 **Oral presentation by Local Government District of**
23 **Pinawa**

24 MR. SKINNER: Good afternoon,

25 Madam President.

1 For the record, I am Blair
2 Skinner, the Deputy Mayor of Pinawa, and I would
3 like to thank the President and the Commissioners
4 for hearing us this afternoon.

5 This presentation and the written
6 documents that you received were actually prepared
7 by Dr. Len Simpson, who is the Mayor of Pinawa. I
8 am here on his behalf today as he couldn't attend.

9 Both Len and I are former
10 employees of AECL at the Whiteshell Laboratory
11 site and, together, have about 40 years of
12 experience with that organization.

13 I think we appreciate nuclear
14 issues and the risks involved, if not the details.
15 In general, we remain supportive of the nuclear
16 industry as it has been an obvious benefit to our
17 community.

18 In fact, we are attempting to
19 generate a dialogue around the possible building
20 of an advanced CANDU reactor at the Whiteshell
21 site. It is how supportive of the nuclear
22 industry we are.

23 Nevertheless, we do object to the
24 decommissioning plan, which is a separate issue.

25 You have already addressed the

1 issue of the location of the hearing.

2 So I, again, won't dwell on that,
3 except to say that I have listened to
4 approximately five hours of discussion today on
5 the meaning of a written word.

6 So the advantage of an oral
7 presentation is that there is an opportunity to
8 clarify. So I just want to make that additional
9 point.

10 So moving on to the issue of a
11 financial guarantee.

12 We feel that the financial
13 guarantee should be an assurance that today's
14 generation will assume and pay for the liabilities
15 incurred today.

16 Today's people are the people that
17 have enjoyed the benefits of nuclear R & D and
18 they are the ones who should bear the burden of
19 the decommissioning activities.

20 There has been reference to a
21 letter from Minister Dhaliwal that the
22 decommissioning is going to be guaranteed by the
23 federal government some time in the future, but I
24 would ask the question, then, is this letter
25 binding on all future governments?

1 Furthermore, does this letter and
2 this guarantee satisfy the position of the Auditor
3 General, who has continually critical of AECL and
4 the federal government for not having established
5 the liability?

6 Also, we just heard a presentation
7 from the CNSC indicating that if the status of
8 AECL changed that the whole issue of the financial
9 guarantee should be revisited. On that point, it
10 suggests to me that there is some doubt.

11 So all of these issues really need
12 to be addressed.

13 AECL's own vision statement
14 actually indicates that they will not provide a
15 nuclear legacy for future generations. It is on
16 the slide that was presented at the CNA meetings
17 last fall.

18 Now, we also heard earlier today
19 that Phase I decommissioning which is currently
20 being worked on is being funded at a level of
21 about 50 million dollars and the overall price tag
22 for the decommissioning of the Whiteshell site is
23 more like 500 million.

24 So that means 90 per cent of the
25 cost of decommissioning is being deferred to

1 future generations.

2 The idea that a present government
3 can pass these huge costs onto a government to be
4 elected decades in the future is unacceptable. It
5 is also, we believe, unprecedented.

6 The political and geographical
7 makeup of Canada could be drastically changed in
8 60 to 100 years. We are not responsible for our
9 grandparents' debts, nor can we burden our
10 grandchildren with ours.

11 The whole purpose of financial
12 guarantees is to ensure that funds are put aside
13 now to be available for the full decommissioning
14 to green field when the process takes place.

15 This ensures that it is the
16 generation who benefits from the nuclear
17 operations at the time is the one that pays for
18 the decommissioning whenever it takes place.

19 AECL's schedule and lack of a
20 growing fund ensures that future decommissioning
21 will be paid for by future generations through
22 their taxation, assuming that a future government
23 actually honours a commitment made by government
24 members who have long since departed.

25 I think I would also add that

1 there is no guarantee here that a future
2 government, 60 years from now, may not choose to
3 defer it another 60 years. There is no guarantees
4 whatsoever that a future government will adhere to
5 that timeline.

6 The solution, we believe, is to
7 start the full decommissioning now, and I too am
8 pleased to hear AECL's presentation that they are
9 considering picking up the pace.

10 AECL's own document suggests that
11 it could be completed in 20 to 25 years, and it is
12 noteworthy that timely decommissioning is now
13 becoming the rule in most OECD countries.

14 Both France and Japan have
15 indicated that they will decommission their power
16 plants within 15 to 20 years of the time of
17 shutdown.

18 The economic benefits of a
19 continuous process are crucial to the well-being
20 of our region. It means that AECL will be able to
21 attract competent staff who see decommissioning as
22 a career opportunity and who will become permanent
23 residents of our communities.

24 The importance of local
25 communities is recognized by Europeans and their

1 industries and continue to do everything they can
2 to support the communities that once supported
3 them.

4 For instance, the UK Atomic Energy
5 Authority and the new government organization that
6 is taking over the decommissioning responsibility
7 forecast over 2,000 local jobs for decades to come
8 while decommissioning the Dounreay Labs in
9 Northern Scotland.

10 The issue of deferring
11 decommissioning because of radiation concerns does
12 not make sense.

13 The most dangerous components of a
14 CANDU reactor are the fuel and the fuel channels.

15 The fuel can be and is easily
16 removed and stored indefinitely in well designed
17 canisters. Fuel channels are routinely removed
18 and replaced from operating reactors a few weeks
19 after shutdown.

20 Whiteshell is unique among
21 nuclear sites in that AECL -- sorry. Whiteshell
22 is unique among nuclear sites in that AECL intends
23 to abandon it altogether, with the exception of a
24 minimum monitoring crew. There will be no
25 competent staff locally to react to an emergency.

1 The industry must move immediately
2 to construct a disposal facility for low level
3 decommissioning waste so that full decommissioning
4 can move forward.

5 The CNSC should have insisted that
6 the construction of a disposal facility was part
7 of Phase I.

8 The only industry issue is whether
9 AECL (the polluter) should pay for it or their
10 ministry, NRCanada. Both sides take advantage of
11 this lack of decision on responsibility to delay
12 the project.

13 The conclusion of the November
14 2002 hearing that the scope of Phase I is the same
15 whatever decommissioning period is chosen was
16 flawed, because it ignored the fact that a
17 disposal facility was needed to decommission
18 promptly in Phases II and III.

19 It is unfortunate that among the
20 OECD countries with nuclear programs, we are the
21 only country without such a facility or one under
22 construction.

23 We expect the regulator to declare
24 that, if we are to continue to have an active
25 nuclear industry, then the industry must

1 immediately take steps to provide the necessary
2 facilities for decommissioning.

3 The full decommissioning now of
4 the Whiteshell Laboratory site would be an ideal
5 project to show the full cycle of nuclear
6 activities can be safely handled and improving
7 AECL's image at home and abroad.

8 It would provide an appropriate
9 exit strategy for AECL and create long term
10 employment opportunities for staff in
11 decommissioning.

12 It would also provide a necessary
13 learning experience for the more formidable tasks
14 back East.

15 In conclusion, we are recommending
16 that the Commission rejects as a guarantee AECL's
17 reliance on Minister Dhaliwal's statement.

18 We would like to ensure full
19 decommissioning is funded by present generation by
20 directing AECL to decommissioning continuously and
21 fully now.

22 On that point, I noted while that
23 it is being considered by AECL to speed up
24 Phase II and III, they don't provide a timeline on
25 when that review will be completed, and I would be

1 interested in knowing what that timeline is.

2 We also feel that AECL and NRCan
3 should be directed to start at once to provide a
4 low level waste disposal facility.

5 Finally, we would like to create
6 an improved dialogue with Manitobans in Manitoba.
7 You are Canada's regulator, not Ottawa's or
8 Ontario's.

9 Thank you very much for your time.

10 THE CHAIRPERSON: Thank you very
11 much.

12 So we are going to open the floor
13 for questions to all of the four presentations.

14 I would just like to note that as
15 this hearing and the one on the Chalk River
16 Laboratories site contains some common elements --
17 some of the presentations have referred to that --
18 and to prevent unnecessary repetition, the
19 Commission will consider any relevant information
20 placed on the record in either hearing in
21 rendering its decision.

22 So there may be some issues where
23 we don't explore it here, but we have explored
24 before, and we will consider that when we render
25 the decisions as well.

1 I would also like to just provide
2 a word of framing, I suppose, for the Commission
3 members. We are not here today to review the
4 decision that we made in the issue of the
5 decommissioning licence. That is not the purpose
6 today.

7 The plans are for a status report,
8 as was mentioned on the decommissioning Phase I in
9 the future.

10 However AECL has mentioned some
11 specific progress items. So I think that should
12 be considered as opened in terms of areas for
13 questioning with regards to that.

14 Certainly the questions that have
15 been raised by the intervenors certainly are
16 important to us, but I just wanted to frame a
17 little bit so that we understand why we are here
18 today and follow that.

19 With that framing, would someone
20 like to kick off the questioning?

21 Dr. Barnes.

22 MEMBER BARNES: Maybe I could
23 frame my initial questions.

24 I was intrigued. When I was
25 confused, in the last one, I was told that it was

1 an integral part to have a financial guarantee
2 statement and then the PDP document. So I was
3 curious that I didn't have a PDP document for this
4 one.

5 Then in reading and, thanks to the
6 secretary, I now have a detailed decommissioning
7 plan which goes back to 2002.

8 When I looked for the PDP, which I
9 would have thought was prior to that, it sort of
10 referred as a subset of the detailed
11 decommissioning plan.

12 So if it is true, in this case, we
13 all look in the financial guarantees with this as
14 a as prior context. Is that correct? That it is
15 the detail of the decommissioning plan?

16 THE CHAIRPERSON: Is that a
17 question for AECL?

18 MEMBER BARNES: No. It is a
19 question for staff, really, I think.

20 MR. FERCH: For the record, my
21 name is Richard Ferch.

22 Yes. The context we have is that
23 we have a detailed decommissioning plan for
24 Whiteshell.

25 However, I should also add that in

1 its decision in 2002 the Commission accepted
2 Phase I, but reserved judgement on the longer term
3 phases of that decommissioning plan. Reserved
4 judgement until licensing for Phase II.

5 MEMBER BARNES: Okay. The
6 substance of this DDP has essentially been
7 approved. Correct?

8 MR. FERCH: For Phase I, yes.
9 That is correct.

10 MEMBER BARNES: Yes. Phase I.

11 And in the context of, I think,
12 one of the questions of the intervenors, as I
13 gather the cost estimate of Phase I is 50 million
14 dollars.

15 Do we have any detailed breakdown
16 of the budget for that in any documents to this
17 point?

18 MR. FERCH: Richard Ferch
19 speaking.

20 No, we don't.

21 MEMBER BARNES: I think when we
22 asked about that at the last question about
23 receiving detailed financial breakdowns it was
24 that that would come at a later stage when there
25 was a detailed decommissioning plan.

1 So we already have a detailed
2 decommissioning plan, which was in advance of the
3 financial guarantee. So we are talking about a
4 financial guarantee with an estimate of 50 million
5 dollars.

6 When would we expect to have a
7 detailed financial breakdown then for Phase I?

8 THE CHAIRPERSON: Perhaps AECL
9 could answer that question.

10 MEMBER BARNES: Yes.

11 MR. KUPFERSCHMIDT: It is Bill
12 Kupferschmidt, General Manager, Decommissioning
13 and Waste Management.

14 There is certainly a breakdown of
15 the costs associated with the first phase, Phase I
16 decommissioning, for the Whiteshell site, in the
17 detailed decommissioning plan.

18 So there is certainly a further
19 breakdown of those costs. In volume 1.

20 THE CHAIRPERSON: Would the staff
21 like to comment?

22 MR. FUNDAREK: For the record, my
23 name is Peter Fundarek and I am a Project Officer
24 for the Wastes and Geosciences Division.

25 CNSC staff have looked at the

1 information on cost estimates provided in the
2 program overview, volume 1, of the Whiteshell
3 detailed decommissioning plan.

4 For Phase I, CNSC staff have
5 considered that those cost estimates are
6 sufficient for the work that is to be carried out
7 during Phase I.

8 The more detailed information on
9 cost estimates, we are expecting to receive when
10 submissions are tabled for Phases II and III.

11 MEMBER BARNES: Do we have a rough
12 idea of those cost estimates for II and III
13 relative to I?

14 MR. FUNDAREK: For the record, my
15 name is Peter Fundarek.

16 At this time, we do not because
17 those would be dependent upon the timing and
18 sequencing of the decommissioning that is going to
19 be carried out in Phases II and III, for which the
20 Commission has not yet accepted the timeline that
21 was originally proposed by AECL.

22 MEMBER BARNES: Just on a separate
23 issue, I think towards the end of the staff
24 presentation you indicated -- and it was raised by
25 one of the intervenors -- that should AECL become

1 insolvent at some stage, you would revisit this
2 agreement, if you like. I think that would be an
3 automatic action that you would take.

4 But in case of AECL becoming
5 insolvent, what would again -- I think you
6 discussed this last time -- but what, in reality,
7 would be the actions that you could take?

8 THE CHAIRPERSON: Perhaps a staff
9 could start by clarifying exactly what you did
10 say, which I am not sure --

11 Dr. Barnes used the words
12 "insolvent". I think it was "its status changed".

13 MR. FERCH: Yes.

14 For the record, this is Richard
15 Ferch.

16 Thank you, Madam President.

17 What the staff did say was that if
18 the status as an agent of the Crown were to change
19 it should be revisited.

20 That status, being established
21 through legislation, could only be changed by
22 Parliament amending, revoking or replacing that
23 legislation with some other legislation.

24 If that were to happen, the
25 legislative process would of course give the CNSC

1 notice of what was happening and we would go back
2 to the licensee and require a different guarantee
3 from them.

4 THE CHAIRPERSON: I think what is
5 predisposing, for example, and I don't think that
6 this is -- you know, the AECL may wish to comment
7 on this -- but it would more of a privatization or
8 some change of status.

9 You may wish to ask the second
10 question, but I just want to clarify what was in
11 the staff submission. You may wish to, Dr.
12 Barnes, ask the question about insolvency, which
13 is a separate question.

14 MEMBER BARNES: I get the drift.

15 --- Laughter

16 THE CHAIRPERSON: Mr. Graham.

17 MEMBER GRAHAM: Thank you.

18 With regard to the financial
19 guarantees, I believe Phase I is estimated to cost
20 50 million dollars, is that correct, to AECL?

21 MR. KUPFERSCHMIDT: Bill
22 Kupferschmidt, Decommissioning and Waste
23 Management.

24 Yes. That is correct.

25 MEMBER GRAHAM: Phase I is to be

1 completed by what date? Just to clarify in my
2 mind.

3 MR. KUPFERSCHMIDT: Approximately
4 2008.

5 MEMBER GRAHAM: A little past the
6 duration of the licence though, I believe, is it?

7 MR. KUPFERSCHMIDT: Yes. It is --

8 MEMBER GRAHAM: Roughly that.
9 Okay.

10 The 50 million dollars that is
11 required for Phase I of decommissioning, does
12 that -- it is guaranteed, I realize, by the
13 Crown -- but is that funding coming as separate
14 funding from the Department of Finance or is it
15 just part of your budget?

16 MR. KUPFERSCHMIDT: Bill
17 Kupferschmidt, Decommissioning and Waste
18 Management.

19 This is part of the overall
20 funding stream that we have for decommissioning
21 and waste management for all of our activities
22 that we have within AECL.

23 MEMBER GRAHAM: However, is the
24 Department of Finance -- I guess that is the
25 agency where the money comes from federally --

1 does the Department of Finance know that there is
2 a commitment for 50 million dollars for
3 decommissioning over the next four years and that
4 is required to be part of their funding to AECL
5 over that same period of time as part of their
6 budget?

7 I guess what I am wondering is --
8 we have heard a lot in the last day with regard to
9 Mr. Dhaliwal's letter.

10 Whether it is a minister that is
11 here now or was in the past, I think the relevance
12 is that the Crown has to come good for the
13 dollars, and that is, the agency delivering that
14 is the Department of Finance.

15 Is the Department of Finance aware
16 of the 50-million-dollar commitment that is
17 required for Phase I?

18 DR. FEHRENBACH: For the record,
19 it is Paul Fehrenbach.

20 In answering that, I would like to
21 refer to the explanation I gave earlier with
22 respect to the implementation of how the
23 government provides funding to AECL.

24 They do it on the basis of plans
25 we submit through our corporate planning process

1 which cover a five-year timeframe.

2 Yes. Within that corporate plan
3 that has been approved recently by the Minister in
4 Parliament that the requirement for funding
5 decommissioning at Whiteshell over that period is
6 included, and it has been signed off and approved.

7 MEMBER GRAHAM: So really what I
8 am asking is 50 million dollars is specific to
9 decommissioning Whiteshell, and the Department of
10 Finance has that in your five-year plan and they
11 know that that is for decommissioning?

12 DR. FEHRENBACH: Let me invite
13 Wayne TerMarsch, our Director of Finance, to see
14 if he can provide any further assurances on what
15 specific officials in Treasury Board know.

16 MEMBER GRAHAM: Just before you do
17 that, I guess, really, what I am trying to get at
18 is, that 50 million dollars is only a small amount
19 of what is going to be required over a longer
20 period of time.

21 Because there is a commitment and
22 the Crown is responsible for the decommissioning
23 of Whiteshell, is the Department of Finance aware
24 of the full ramifications?

25 I know there may not be a figure.

1 We saw half a billion dollars, but it may be more
2 or may be less.

3 But are they aware of, the initial
4 payment that they have built into your budget over
5 a five-year plan is not the final and that the
6 Crown has to budget, I guess, over the next period
7 of time?

8 Whether it is 10 years, 15 or 20
9 years or whatever period of time, they are going
10 to have to have that money built in.

11 My concern is that in good times
12 it is probably not a difficult thing, but does it
13 get put back in priority in a time when budgets
14 are tight and the economy is probably in the
15 cellar compared to what it is today?

16 So is Finance aware that they are
17 going to have to come up, over a period of time,
18 with 500 million or a figure to decommission
19 Whiteshell?

20 DR. FEHRENBACH: Before I turn it
21 over to Wayne TerMarsch, let me make a few
22 remarks.

23 First of all, it is not only our
24 corporate plan that Finance and Treasury Board and
25 our Minister look at. It is also our total

1 financial statements.

2 In those financial statements, as
3 a result of some urging by the Auditor General
4 some years ago, the full cost estimate of AECL
5 liabilities are contained.

6 As you heard from Mr. Van Adel
7 during the Chalk River site licence hearing, that
8 is approximately a number like three billion
9 dollars, currently.

10 So, yes. Treasury Board is aware
11 of that number. Finance is aware of that number.

12 I would invite Wayne TerMarsch to
13 provide any further elaboration.

14 MEMBER GRAHAM: I don't think that
15 is necessary. I guess what I was trying to get at
16 is -- and I don't want to take a lot time this
17 afternoon because I know there is other people who
18 want to ask questions.

19 But I just want to make sure that
20 Finance is aware and that is built into your
21 financial statement that your total commitment for
22 decommissioning and so on of all your sites and so
23 on is three billion or whatever it is, and that is
24 on your financial statements.

25 DR. FEHRENBACH: Okay. Thank you.

1 THE CHAIRPERSON: If I could,
2 while we are sort on this subject area,
3 Mr. Skinner asked two questions that are in this
4 area and I think there was also another question
5 that --

6 I think his questions was, would
7 this liability be binding on future governments
8 and was it binding on this Minister and this
9 Government, and that a comment about AECL's
10 recognition of the OAG Report.

11 I think you have actually answered
12 the last one, but I just want to make sure --

13 I like to make sure those
14 questions are answered. So I just want to give
15 AECL an opportunity from their view point. Your
16 sense is that it is --

17 Is it binding on the current
18 government?

19 DR. FEHRENBACH: My understanding
20 is, it is binding on the Crown, and that goes
21 beyond the vagaries of our political changes.

22 THE CHAIRPERSON: Any further
23 comment which you would like to make with regards
24 to the OAG Report or you have made that comment?

25 DR. FEHRENBACH: Not at this time.

1 Thank you.

2 THE CHAIRPERSON: Further
3 questions?

4 Mr. Taylor.

5 MEMBER TAYLOR: Thank you.

6 I just have a question to clarify,
7 in my mind, the difference between this case and
8 the one we were discussing this morning.

9 This morning we were very
10 concerned that we have a PDP that is
11 comprehensive, that gives all this information, so
12 that you can an overall grasp of what is required
13 and see that the financial guarantee matches that.

14 Now we don't have that situation,
15 as far as I can see. We know about the short
16 term, Phase I, but yet we haven't gone on to the
17 others.

18 Is this difference explained by
19 the fact that Whiteshell is entirely in a
20 decommissioning phase whereas Chalk River is
21 operating and decommissioning at the same time and
22 thereby rather more complicated?

23 I ask the question to staff.

24 MR. LOJK: For the record, Bob
25 Lojk.

1 I think there is two issues here.
2 One of them is, as you said, the situation at
3 Chalk River is where you have an operation that
4 will keep on going for a very long time and
5 Whiteshell is an operation where they expect to
6 turn it almost into a green field with everything
7 being changed until you just leave the long term
8 storage.

9 The important thing to note too is
10 that the problems at Whiteshell are well known.
11 Every single component at the site, we have fairly
12 good assurance that AECL knows what is out there
13 and we know what is out there.

14 So the original estimates that was
15 part of the package, while we may not have
16 approved a long term plan or the timing of the
17 subsequent phases, we have an idea as to the cost
18 and we all have an idea of what is enveloped.

19 So it is not that we are going to
20 get something coming up that we know nothing
21 about. So it is a fairly well-known fact.

22 So, as staff, we are confident of
23 what is out there. We are confident of the
24 actions that are being taken. We have a fairly
25 good idea of what, in orders of magnitude, it is

1 going to require.

2 That is not the case at the other
3 licence.

4 MEMBER TAYLOR: Thank you very
5 much.

6 THE CHAIRPERSON: Dr. Dosman.

7 MEMBER DOSMAN: Madam Chair, I
8 would just like to ask AECL, do the residents in
9 Ottawa and the officials in the Department, the
10 proper Department in the Government of Manitoba,
11 have a schedule of activities and expenditures
12 that AECL plans to undertake between now and the
13 end of the licence period?

14 MR. KUPFERSCHMIDT: Bill
15 Kupferschmidt, General Manager of Decommissioning
16 and Waste Management.

17 I believe that information is
18 publicly available with regard to the level of
19 funding that is in the decommissioning, that would
20 be spent on decommissioning over the next six
21 years.

22 In fact, that was the subject of a
23 slide. It was used in our presentation in
24 November 2002.

25 So the overall general level of

1 funding that we have directed towards
2 decommissioning at the Whiteshell site is a matter
3 of public record.

4 MEMBER DOSMAN: Then, it strikes
5 me -- if you look at the record of decision, not
6 only the proposal, but the record of decision --
7 that really, it states that the Commission
8 requires that the financial guarantee be provided,
9 and I guess all day we have been discussing the
10 issue, does the letter from Mr. Dhaliwal
11 constitute a financial guarantee or do the
12 residents of Manitoba deserve a more detailed plan
13 for decommissioning along with amounts that would
14 be spent.

15 So I guess that is the fundamental
16 question. I mean, what do you think AECL? Do the
17 residents of Manitoba and of Canada deserve more
18 detail and assurance?

19 MR. KUPFERSCHMIDT: Thank you,
20 Commissioner.

21 I guess Minister Dhaliwal and the
22 Government believe that they have provided the
23 assurance, without putting a cap on it, as
24 Mr. Ferch said earlier, that the necessary
25 expenditures will be undertaken to provide the

1 decommissioning of that site.

2 We have provided a plan for doing
3 that for six years with an estimate of the
4 financial implications on a year-by-year basis and
5 a number of people involved and who will be doing
6 what. That information is there.

7 Beyond that, I am not quite sure
8 what additional detail will provide more
9 assurance.

10 MEMBER DOSMAN: So does AECL then
11 have the position that AECL does not have an
12 obligation to create a detailed plan and does not
13 need to give the residents of Manitoba more
14 assurance as to the details of the plan over time?

15 THE CHAIRPERSON: I will remind
16 the Commissioner that we do have something called
17 the detailed decommissioning plan that the staff
18 have discussed, accepted and that the Commission
19 has declared in terms of a licensing for Phase I.

20 So to say that there is nothing
21 available would be incorrect. Could you re-word
22 your question and build on that, rather than
23 question that there is a detailed plan?

24 MEMBER DOSMAN: Yes.

25 The guidance. I am aware of the

1 details within the context of the current licence.
2 I think what we are discussing -- what I am
3 discussing here -- is the future because it seems
4 to me there is some concerns and it seems to me
5 the residents of Manitoba are being told to trust
6 us because we have a letter from Mr. Dhaliwal.

7 I am just wondering whether there
8 will be more detail put on this plan and where the
9 request involved --

10 I mean I realize what we have done
11 up to this licensing period, but I am asking what
12 the attitude of AECL is for the future.

13 MR. KUPFERSCHMIDT: Bill
14 Kupferschmidt, General Manager of Decommissioning
15 and Waste Management.

16 I guess there are a couple of
17 things that I had at this particular point. Just
18 to go back, just to reiterate, we do have a
19 detailed decommissioning plan for Whiteshell that
20 covers off the entire aspect of the 60-year plan.

21 As we have heard from the
22 Commission, they have accepted the details of that
23 for the Phase I and they have reserved the right
24 to have further discussions about Phase II and
25 Phase III. But the details are already in that

1 particular document.

2 I would also add that, as part of
3 the decision to pursue with decommissioning of the
4 Whiteshell site, there was a comprehensive study
5 report put together, considerable public dialogue,
6 and the plans for decommissioning of the site are
7 documented in a rather extensive three-volume
8 document that in fact explains in considerable
9 detail the plans for decommissioning the
10 Whiteshell Laboratories.

11 So that information is available.

12 I will also add however that we do
13 have ongoing initiatives with regard to public
14 consultation at Whiteshell, a public liaison
15 committee involving the municipal officials, which
16 was also referred to in Dr. Fehrenbach's
17 presentation, to ensure that the municipal
18 authorities in the area et cetera, have the
19 information available to understand what AECL's
20 decommissioning plans are for the Whiteshell site.

21 So, in conclusion, I would say
22 that there is a rather extensive amount of
23 information available about our plans for
24 proceeding with decommissioning of the Whiteshell
25 site over the next 60 years and possibility of

1 accelerating that over the next little while, at
2 which point when we have that further analyzed we
3 will make a point of making sure that we have
4 communicated that information to the appropriate
5 individuals, including the public.

6 Thank you.

7 MEMBER DOSMAN: So I guess it all
8 gets down to, what do we make of this letter and
9 how much assurance and comfort for the future.

10 THE CHAIRPERSON: That is right.
11 That is what we will be considering.

12 I would just like to -- just a
13 question for Manitoba Conservation, for
14 Mr. Strachan.

15 To follow-up from Dr. Dosman's
16 question, you had mentioned in your document a
17 list of concerns. One of those was that you had
18 stated that you didn't feel there was an overall
19 proposal and description by AECL.

20 I would just like to check to make
21 sure that you have had an opportunity to see the
22 detailed decommissioning plan, volume 1.

23 Have you had an opportunity to see
24 that?

25 MR. STRACHAN: Yes, I have, Madam

1 Chair.

2 I believe I was referring to an
3 overall description of the financial assurance
4 guarantee plan, rather than the decommissioning
5 plan.

6 THE CHAIRPERSON: Fine.

7 Our understanding is that there
8 has been some firm commitment in terms of Phase I
9 financing and some projections on the total
10 phases, but not nailed down until Phase I is
11 nailed down, which is the decision of the
12 Commission in terms of licensing.

13 Does that give you any sort of
14 reassurance with that or do you still feel that
15 you would like to see a more firm cost estimate
16 than that?

17 MR. STRACHAN: Larry Strachan, for
18 the record.

19 Madam Chair, it does give us some
20 levels of comfort that there will be further
21 dialogue for Phase II and III of the
22 decommissioning plan.

23 However, having said that, with
24 our interpretation of the record of decision that
25 resulted in approval for Phase I, that the

1 financial guarantee was to address the complete
2 decommissioning plan, not just Phase I of the
3 decommissioning plan.

4 THE CHAIRPERSON: Would the staff
5 like to comment on that and also, while you have
6 the floor, to comment on Manitoba's concern with
7 regards to the policy or the errata.

8 The errata was of course the
9 responsibility of the Commission, not the
10 responsibility of the staff. As errors are --
11 errata is a nice word for error.

12 But perhaps the staff could just
13 confirm that the errata is correct in terms of the
14 policy.

15 So two questions to staff in terms
16 of the overall cost estimates and whether that
17 should have been contained as well in the approval
18 of the plan, and two, the comment on the errata.

19 MR. LAMARRE: Greg Lamarre, for
20 the record.

21 With your permission, we will
22 address from this position the first issue, the
23 issue of the errata.

24 Madam Chairperson, was correct in
25 stating that, in the errata document of

1 January 23, 2003, a previous inaccuracy was
2 corrected.

3 The earlier record of proceedings
4 dated December 2002 had incorrectly quoted staff
5 as saying that the guarantee could consist of a
6 fund and a commitment.

7 As can be verified by the
8 transcripts, the staff statement during the
9 hearing was that the guarantee could consist of a
10 fund or a government commitment, and this is in
11 line with CNSC regulatory guide G206 entitled
12 Financial Guarantees for Decommissioning of
13 Licensed Activities, published in 2000, in which
14 it is stated that an express commitment from a
15 government, either provincial or federal, was
16 among the acceptable forms of a financial
17 guarantee.

18 So staff's position is that the
19 errata of December 23, 2003 is an accurate
20 representation of the transcript of that day.

21 THE CHAIRPERSON: So,
22 Mr. Strachan, I guess the explanation is, it was a
23 true error in the reasons for decision in terms of
24 looking back at the transcript of what the staff
25 said.

1 The Commission has considered that
2 the document 2002, our regulatory guide, is the
3 guide for that, and that it more accurately
4 represents it now. It wasn't anything more than
5 that in terms of errata.

6 MR. STRACHAN: Larry Strachan.
7 Madam Chairman, thank you for that
8 clarification.

9 THE CHAIRPERSON: I guess the
10 issue of burden on future generations, I believe
11 you sat through the discussion this morning on
12 timing and issues that we are struggling with in
13 terms of other areas as well.

14 I think it is clear that the
15 Commission in its reasons for a decision on the
16 decommissioning plan for Whiteshell I believe made
17 it clear.

18 I hope it is clear that we are
19 looking to AECL for a consistent review. They
20 talked this morning about their review of the
21 plan.

22 I think the Commission would
23 prefer that things would move faster than not, but
24 there are some issues to do with radiological
25 protection as well. We want to make sure that it

1 is done in a correct manner and that we know what
2 is going on.

3 So the Commission is interested
4 in -- I don't think it is neutral in terms of
5 wishing to see that the decommissioning happens as
6 quickly as possible in terms of the area.

7 So, by asking for these reports
8 every two years, we are, I think, giving notice
9 that we want to see that progress is made and that
10 those will be presented in a form that will be --

11 They will be CMDs. They will be
12 available in the public. You will have a chance
13 by watching our site to see when the notice of the
14 meetings come up. You know, when the item is
15 coming up. And also the CMD documents.

16 So it will be -- certainly, you
17 can be assured, I think, that the Commission will
18 be paying attention as this process goes forward
19 and that we think decommissioning is pretty
20 important and we will be watching that too. So, I
21 think --

22 Is there anything else the --

23 Dr. Barnes.

24 MEMBER BARNES: I just wanted one
25 quick, small question to AECL.

1 On page 6 of your presentation,
2 image 6, you refer to examples of decommissioning.
3 One of those was the neutron generator and the
4 Vandergraph accelerator. You also mentioned the
5 scanning electron microscope as well.

6 Just as a matter of interest, what
7 happens to those? You scrap them or you use them
8 elsewhere or you donate them a Manitoba
9 post-secondary research organization or --

10 DR. FEHRENBACH: Thank you.

11 Paul Fehrenbach, for the record.

12 I would like to direct that
13 question to Grant Koroll.

14 MR. KOROLL: The neutron generator
15 was sent to Chalk River Laboratories for re-use.
16 The Vandergraph accelerator was sold to a
17 university. What was the other facility?

18 MEMBER BARNES: I think you
19 mentioned the SEM, the scanning electron
20 microscope.

21 MR. KOROLL: The scanning electron
22 microscope was built into the shielded facilities
23 and was used for post-radiation examinations and
24 was contaminated and is low level active waste
25 right now. It may be useable in another

1 contaminated application.

2 MEMBER BARNES: So the vast
3 revenues you got out of the sale go back into
4 decommissioning, do they?

5 MR. KOROLL: Absolutely.

6 THE CHAIRPERSON: Dr. McDill.

7 MEMBER McDILL: Thank you. This
8 is a question for Mr. Skinner, the Deputy Mayor.

9 In Dr. Simpson's written
10 submission, he refers to the removal of the fuel
11 and the indefinite storage and well designed
12 canisters. Is that referring to dry storage
13 containers, in your judgment?

14 MR. SKINNER: I can't profess to
15 be as knowledgeable as the Mayor on this, but I
16 know that that is currently the case at the
17 Whiteshell sites. So it is a known technology
18 that is in place and it is one of the things we
19 feel secure about.

20 MEMBER McDILL: Perhaps I could
21 ask AECL to clarify.

22 The design life of a dry storage
23 container is on the order of 50 years with a
24 likelihood of success to 100. Is that not the
25 case?

1 DR. KUPFERSCHMIDT: Yes. That's
2 correct.

3 MEMBER McDILL: I know there is a
4 cementation facility in Whiteshell, but there is
5 no dry storage container facility. I am correct
6 with that?

7 DR. KUPFERSCHMIDT: What we do
8 have are canisters above ground, canisters for
9 storage of some of the fuel that we have on site.

10 A significant portion of the other
11 fuel is actually in underground standpipes.

12 Part of the plan of course is to
13 remediate the waste management areas to place that
14 fuel in above ground storage before it is finally
15 dispositioned in whatever the ultimate disposition
16 is in Canada for used fuel.

17 MEMBER McDILL: Does that address
18 the Mayor's concern in that paragraph?

19 MR. SKINNER: For the record this
20 is Blair Skinner.

21 The Mayor's concern is not the
22 form of storage. The Mayor's point was that
23 radioactive components can be handled and have
24 been handled safely and so that shouldn't be a
25 deterrent to immediate decommissioning.

1 MEMBER McDILL: Thank you.

2 THE CHAIRPERSON: Any further
3 questions from the members?

4 Thank you very much. I
5 particularly thank our intervenors from Manitoba
6 for your patience. It has been a longer day than
7 I think you thought it was going to be, so I hope
8 you make your airplane.

9 With respect to this matter, I
10 propose that the Commission confer with regards to
11 the information we have considered today and then
12 determine if further information is needed or if
13 the Commission is ready to proceed with a
14 decision. We will advise accordingly.