

Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant COGEMA Resources Inc.

Subject Renewal of the McClean Lake Uranium Mine
and Mill Operating Licence with amendments

Date May 19, 2005

RECORD OF PROCEEDINGS

Applicant: COGEMA Resources Inc.

Address/Location: P.O. Box 9204 – 817, 45th Street West, Saskatoon, SK S7K 3X5

Purpose: Renewal of the McClean Lake Uranium Mine and Mill Operating Licence with amendments

Application received: August 20, 2004

Date(s) of hearing: January 12, 2005
April 6, 2005

Location: Canadian Nuclear Safety Commission (CNSC) Public Hearing Room, 280 Slater St., 14th. Floor, Ottawa, Ontario

Members present: L.J. Keen, Chair A.R. Graham
C.R. Barnes M. J. McDill
J.A. Dosman M. Taylor

Counsel: J. Lavoie
Secretary: M.A. Leblanc
Recording Secretary: S. Gingras

Applicant Represented By	Document Number
<ul style="list-style-type: none">• B. Pollock, Vice-President of Environment, Health and Safety• J. Rowson, Director of McClean Lake Regulatory Affairs• J. Corman, General Manager of the McClean Lake operation• D. Huffman, Manager of Radiation Protection and Special Projects	CMD 05-H2.1 CMD 05-H2.1A CMD 05-H2.1B
	Document Number
<ul style="list-style-type: none">• B. Howden• R. Forbes• P. Thompson	CMD 05-H2 CMD 05-H2A
	Document Number
See appendix A	

Licence: Renewed
Date of Decision: April 6, 2005

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1. Introduction

COGEMA Resources Inc. (COGEMA) has applied to the Canadian Nuclear Safety Commission (CNSC¹) for the renewal with amendments of its Uranium Mine and Mill Operating Licence for the McClean Lake Operation. COGEMA has also applied to have the existing licence revoked if and when the Commission issues the requested licence.

COGEMA is currently authorized by the CNSC to operate a uranium mine and mill at McClean Lake, Saskatchewan and to maintain the facilities necessary to support its operation. The current licence also authorizes COGEMA to possess, store, transfer, import, use, and dispose of nuclear substances and radiation devices.

As part of its application, COGEMA is seeking authorization to modify the JEB mill at the McClean Lake Operation so that ore slurry from Cameco Corporation's Cigar Lake mine could be eventually received and processed there. A separate application and CNSC approval would be required before COGEMA could begin the milling of the Cigar Lake ore. The scope of the proposed expansion is limited to the uranium production circuits in the JEB mill and supporting mill processes and utilities. Waste management facilities and general site infrastructure would not be affected by the proposed expansion. The application for licence renewal contains no other proposed changes to the currently authorized activities.

The proposed modifications to the JEB Mill include the following:

- construction of an ore receiving facility;
- modification to the leaching circuit;
- construction of a counter current cyclone circuit;
- construction of an oxygen plant;
- expansion of the ammonium sulphate crystallization plant; and
- installation of a refrigeration plant for the leaching circuit.

Issues:

In considering the application, the Commission was required to decide, pursuant to subsection 24(4) of the *Nuclear Safety and Control Act*:

- a) if COGEMA is qualified to carry on the activity that the licence would authorize; and
- b) if, in carrying on that activity, COGEMA would make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

¹ In this *Record of Proceedings*, the *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general, and as the "Commission" when referring to the tribunal component.

Public Hearing:

The Commission, in making its decision, considered information presented at a public hearing held on January 12, 2005 and April 6, 2005 in Ottawa, Ontario. The public hearing was conducted in accordance with the *Canadian Nuclear Safety Commission Rules of Procedure*. During the public hearing, the Commission received written submissions and heard oral presentations from CNSC staff (CMD 05-H2 and CMD 05-H2.A) and COGEMA (CMD 05-H2.1, CMD 05-H2.1A and CMD 05-H2.1B). The Commission also considered oral and written submissions from intervenors. See Appendix A to this *Record of Proceedings* for a detailed list of the interventions.

2. Decision

Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Proceedings*, the Commission concludes that COGEMA is qualified to carry on the activity that the licence will authorize. The Commission is also satisfied that COGEMA, in carrying on that activity, will make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed. Therefore,

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, renews with the requested amendments, Uranium Mine Operating Licence for the McClean Lake facility held by COGEMA Resources Inc., Saskatoon, Saskatchewan. The renewed licence, UMOL-MINEMILL-McCLEAN.00/2009 is valid until May 30, 2009, unless suspended, amended, revoked or replaced. Furthermore, concurrent with the coming into effect of the new licence, the Commission revokes licence UMOL-MINEMILL-McCLEAN.09/2005.

The Commission includes in the licence the conditions recommended by CNSC staff, as set out in the draft licence attached to CMD 05-H2 and modified in CMD 05-H2.A.

With this decision, the Commission also requests CNSC staff to present to the Commission a mid-term report on the performance of the facility during the first half of the licence term. The mid-term report is to be presented at a public proceeding of the Commission as soon as practical following the May 2007 mid-point of the licence term.

3. Issues and Commission Findings

In making its licensing decision under section 24 of the *Nuclear Safety and Control Act*, the Commission considered a number of issues relating to COGEMA's qualifications to carry out the proposed activities and the adequacy of the proposed measures for protecting the environment, the health and safety of persons, national security and international obligations to which Canada has agreed. The Commission's findings on these issues are outlined below.

3.1 Radiation Protection

As part of its evaluation of the adequacy of the provisions for protecting the health and safety of persons, the Commission considered the past performance and future plans of COGEMA in the area of radiation protection at the McClean Lake mine and mill site.

COGEMA reported that worker radiation exposures are measured and estimated using the appropriate dosimetry and that controls are in place to minimize the spread of radioactive contamination in the work areas. COGEMA expressed the view that the low overall worker doses and the modest downward trend in those doses provides evidence of a continuous improvement in performance. CNSC staff confirmed that the measured dose levels are below regulatory limits, and that no radiation action levels were exceeded during the review period. CNSC staff noted that the Type II inspections during the review period showed consistent compliance with radiation protection requirements.

CNSC staff reported that one action notice and four recommendations were issued following a radiation protection audit performed in October 2004. CNSC staff reviewed COGEMA's responses to this audit and is satisfied with the timeliness of COGEMA's reporting and with progress being made on the planned remedial actions. CNSC staff indicated that it will continue to monitor COGEMA's progress of the remedial actions and on their effective implementation.

In their intervention, M. and J. Penna expressed concern that COGEMA is overdue in its provision of radiation protection training to the workers. In response to the Commission's request for more information on this topic, COGEMA acknowledged that it had not meet all requirements in its radiation protection retraining program, but that this has since been corrected. COGEMA also stated that it has made appropriate changes to its procedures to prevent recurrence.

The Canadian Workers Council and the Communication, Energy, Paperworkers Union (the Unions) expressed the view that COGEMA could do more to inform the workers and their families about the health consequences of radiation exposure. In response to the Commission questions on this point, COGEMA stated that it is aware of this concern and has initiated several activities to better inform workers and their families about radiation and radiation protection. The Unions acknowledged that COGEMA has been responsive to their concern and that COGEMA is now taking appropriate action. The Unions also confirmed that they supported the training initiatives that COGEMA provides in consultation with the Occupational Health and Safety Committee.

The Commission, noting that the Unions also play an important role in providing information to workers on safety issues, questioned how this was being done. In response, the Unions stated that this is achieved primarily through union involvement in the occupational health and safety committees and in the raising of worker safety concerns with the employer. The Commission notes that information on radiation protection and other safety issues is the responsibility of all parties involved. Therefore, the Commission encourages both the Unions and COGEMA to maintain an open dialogue on radiation and safety issues and to ensure that this information is communicated to the workers in an appropriate and timely manner.

COGEMA's Proposed Modifications to the JEB Mill

Concerning COGEMA's proposed modifications to the JEB Mill, COGEMA has informed CNSC staff that no changes would be required to the existing radiation protection programs, procedures or operational controls at the mill. CNSC staff reported that COGEMA, as part of its commitment to minimize worker doses at the mill, engaged consultants to review radiation protection issues and perform ALARA (as low as reasonably achievable) analyses in respect of the proposed mill modifications. CNSC staff expressed its satisfaction with the results of that review and with COGEMA's effective incorporation of the ALARA principles into the design of the proposed modifications. In response to a question from the Commission on whether this proposal would increase doses to workers, COGEMA explained that, while there would be an increase in total exposure due to the increase in total activity at the plant, an increase in the amount of exposure per unit of production is not anticipated.

Conclusion on Radiation Protection

Based on the information submitted, the Commission is satisfied that Cogema has made, and will continue to make, adequate provisions for the protection of persons from radiation at the McClean Lake site. The Commission also encourages the Unions and COGEMA to work together in order to provide all appropriate information on radiation protection to the workers and their families.

3.2 Environmental Protection

The Commission considered whether COGEMA has been making, and will continue to make, adequate provision to protect the environment at the McClean Lake site.

COGEMA reported that an Environmental Effects Monitoring (EEM) program is used to trigger further investigations and, where required, corrective actions. COGEMA stated that it also prepares periodic Status of the Environment (SOE) reports. An SOE report involves the completion of more extensive sampling than is routinely carried out. COGEMA added that the last SOE report was prepared and issued in June 2003. No significant issues were identified.

CNSC staff noted that its compliance inspections, including the joint inspections carried out with Saskatchewan Environment, found that COGEMA's compliance with environmental regulations has remained consistent.

Effluent Releases:

COGEMA reported that increases in the concentrations of some contaminants have occurred during the operational period. However, according to COGEMA, concentrations of all constituents, including the total mass loadings of key metals and radionuclides, remained considerably lower than the earlier Environmental Impact Statement predictions.

COGEMA reported that the water quality in the JEB secondary exposure area is consistent with baseline levels and reference conditions, and that the concentrations of radium and nickel in the treated effluent have been well below regulatory requirements and action levels. COGEMA noted that both parameters have shown consistent improvement since the start of operations. For example, COGEMA noted that the molybdenum optimization work at the JEB waste treatment

plant has resulted in reduced concentrations of molybdenum in treated effluent. CNSC staff concurred with COGEMA, and noted that COGEMA has been very active in reducing the molybdenum levels in the JEB waste treatment plant discharge.

B. Adamson, in his intervention, expressed concerns about the amount of radiation brought to the surface by the mining. He is concerned about the ultimate fate of that radioactivity in the environment and the effects it will have. In response to the Commission's questions on these concerns, COGEMA stated that the majority of the radioactivity (in the form of radium) ends up in the tailings and is not released to or dispersed in the environment. CNSC staff also confirmed that COGEMA successfully maintains strict controls on releases of radium and other radioactive contaminants to the environment. With respect to the surrounding environment, COGEMA explained that radiation levels in samples taken in the downstream water environment are only slightly above detectable levels and are not significant.

In her intervention, M. Shiell also expressed concerns about long-term genetic effects of alpha particles released to the environment. She considers that more studies should be undertaken on the effects of alpha particles released to the environment. She also suggested that the Commission add a licence condition requiring COGEMA to do further research on the genetic effects of alpha radiation and to report annually on the results obtained. The Commission asked for the CNSC staff's opinion on this intervention from M. Shiell. In response, CNSC staff stated that it does not consider the proposed licence condition to be necessary because, in its opinion, the McClean Lake operations have performed acceptably to date. CNSC staff added that COGEMA and the CNSC have begun discussing the terms of a jointly funded research project on issues concerning alpha radiation. CNSC staff expects that the results of this research will allow for the level of conservatism currently applied in the assessments of risk to be reduced. The Commission expressed its support for this joint research. The Commission further asked CNSC staff if M. Shiell's intervention provided information different from what is published in CMD 04-M39, *Assessment of Radiation Effects of Alpha Emitters on Biota*. CNSC staff answered that the information in CMD 04-M39 remains valid.

Air Emissions:

COGEMA reported it has met the Saskatchewan Ambient Air Quality Guidelines throughout the life of the McClean Lake Operation. CNSC staff concurred with this statement.

Waste Management:

COGEMA stated that key environmental protection parameters associated with the management of wastes at the McClean Lake site demonstrate that regulatory requirements have been consistently achieved. COGEMA added that arsenic pore water concentrations in the tailings discharged from the tailings preparation circuit have also been consistently maintained within regulatory limits and action levels since the commencement of production in 1999.

B. Adamson, in his intervention, expressed concerns about the arsenic content in the tailings. In response, COGEMA stated that it carried out research on the arsenic levels in the tailings in accordance with a condition of its licence. The research showed that, while there was a temporal rise in arsenic concentrations, the levels have since reduced.

M. and J. Penna, in their intervention, expressed the view that the proposed milling of the high-grade ore from Cameco's Cigar Lake Operation will exacerbate their view to be a problem of contamination in JEB Tailings Management Facility (TMF), including possible increases of molybdenum. CNSC staff noted that COGEMA was performing ageing tests to determine the stability of molybdenum in the JEB tailings management facility. The Commission notes that approval to mill the Cigar Lake mine ore at McClean Lake is not part of the current application. A future application to commence the milling of the ore should address any changes that this may cause in the performance of the JEB TMF.

Environmental Incidents:

COGEMA reported that a total of eight spills have occurred during the licence period. All were responded to promptly and no significant environmental impacts resulted. CNSC staff added that, in addition to those spills, there was one regulatory exceedance and five code of practice action level exceedances. CNSC staff stated that, in all cases, corrective actions were taken and there were no significant effects.

CNSC staff explained that the incident where regulatory levels were exceeded involved a discharge of effluent to the environment that had a level of total suspended solids (TSS) in excess of the applicable action level. COGEMA and CNSC staff are of the opinion that the TSS was caused during the repair of a valve in a discharge line upstream of the sampling point. Sampling subsequent to the valve repair showed no further contamination. In response to the Commission's question on the time taken to detect and rectify the problem, COGEMA stated that the problem was quickly identified and corrected. Furthermore, COGEMA reported that, since this incident, it has modified its discharge line maintenance procedures to prevent recurrence.

CNSC staff reported that four of the five instances where action levels were exceeded involved pond water being discharged to the environment before corrective action could be taken. The piping problems that caused these incidents were subsequently corrected. At the request of the Commission, COGEMA presented a site water balance diagram to better illustrate the incidents and corrective actions take. CNSC staff expressed its satisfaction with COGEMA's assessment.

Environmental Aspects of COGEMA's proposed modifications to the JEB Mill:

COGEMA stated that the JEB Mill expansion would not require any modifications to the operation of the JEB tailings management facility. CNSC staff reported that it considers that there is adequate storage capacity for the Cigar Lake tailings.

COGEMA noted that, due to enhanced TMF pond water recycling capability that will result from the expansion of the mill and the processing of higher grade ores, less fresh water would be required. As a result, COGEMA expects that treated effluent discharge volumes will be reduced to approximately 70% of current values. CNSC staff also noted that no modifications to the waste water management would be required for the processing of ore from Cigar Lake.

With respect to how the proposed changes to the mill will affect atmospheric emissions, COGEMA stated that, while the extended operation would increase total emissions to the atmosphere, Saskatchewan ambient air quality standards would continue to be achieved. CNSC

staff explained that it could be concluded from the air emission sampling results that the control program is satisfactory to accommodate the modifications. However, the JEB mill expansion would require additional operating time for the removal of air contaminants. In response to the Commission's question on the level of increase of air emissions with the JEB Mill expansion, COGEMA indicated that the air emission levels would increase from 10% to a maximum of 20% of the Saskatchewan standards for ambient air concentrations.

Conclusions on Environmental Protection:

Based on the above information, the Commission is satisfied that COGEMA has made, and will continue to make, adequate provision for the protection of the environment in the operation of the McClean Lake facility during the proposed licence period. Further discussion of the potential the effects of operating the modified mill to process ore from the Cigar Lake mine will be the subject of a future CNSC approval process.

3.3 Conventional Health and Safety

As part of its evaluation of the adequacy of provisions for protecting the health and safety of persons, the Commission considered the past performance and future plans of COGEMA in the area of conventional (non-radiological) health and safety at the McClean Lake facility.

COGEMA stated that the McClean Lake Operation is committed to establishing and maintaining a comprehensive occupational health and safety program that is aimed at accident prevention and risk management. COGEMA also noted that, through continuous improvement of the safety programs and the development of a positive safety culture, the frequency of lost-time accidents has decreased at the McClean Lake operation. CNSC staff confirmed that an Occupational Health and Safety Committee is in place at the facility and that Saskatchewan Labour has advised CNSC staff that the committee is functioning properly. CNSC staff noted that a representative of the occupational health and safety committee is invited to observe the CNSC's inspections and to attend meetings where inspection findings are discussed with the licensee. In response to a question from the Commission, COGEMA confirmed that the contractors on the site are required to follow the same health and safety training and procedures as its own staff.

COGEMA noted that the accident frequency rates at the McClean Lake facility were comparable to those observed throughout the uranium mining industry, and that there have been no lost-time accidents in 2004. CNSC staff confirmed that there were five lost-time accidents and two dangerous occurrences during the licence period, and that there were no dangerous occurrences for the last two years. CNSC staff reported that the inspections performed showed consistent compliance with non-radiological health and safety requirements.

M. and J. Penna, in their intervention, expressed concern about what they view as a lack of detail on the lost-time accidents and dangerous occurrences that have occurred. However, other intervenors (the Unions) explained that the Occupational Health and Safety Committee, consisting of both union and management representatives, has full access to all reports, studies and tests relating to health and safety of employees.

Based on this information, the Commission is satisfied that COGEMA has made, and will continue to make, adequate provision for the protection of persons from conventional (non-radiological) hazards during the operation of the McClean Lake facility.

3.4 Operational Compliance

The Commission considered COGEMA's current and past operating performance as a further indication of its qualifications to operate the McClean Lake facility and, in doing so, to provide adequate protection for the environment, persons, national security and international obligations. In addition to examining COGEMA's performance record during the current licence period, the Commission examined COGEMA's training and quality assurance programs that are intended to help sustain acceptable performance in the future.

CNSC staff reported that it carried out 23 site inspections and 4 audits during the review period, including 8 joint training inspections in 2004 with Saskatchewan Environment and Saskatchewan Labour. All action notices arising from those inspections have been closed, except those issued during the recent audits on quality assurance, training and radiation protection. CNSC staff considers that COGEMA has addressed the action notices and recommendations arising from the compliance inspections in a satisfactory and timely manner.

CNSC staff reported that the infrastructure at the mine has been maintained as required.

In response to the Commission's questions on the status and organization of the Sue A and Sue B pits, CNSC staff explained that these pits have been assessed and approved under the current licence, but that activities have not started.

Training

With respect to training at the McClean Lake facility, COGEMA stated that training is provided systematically, based on individual needs. CNSC staff reported that, during the September 2004 audit of the training program, some weaknesses were found, including overdue radiation protection refresher training. As discussed above in section 3.1 of this *Record of Proceeding*, CNSC staff reported that all overdue radiation protection training has now been completed and the program was appropriately modified to prevent recurrence. CNSC staff noted that COGEMA has responded satisfactorily to all of the training audit findings. CNSC staff noted that it will continue to verify the progress and effectiveness of remedial actions.

Packaging and Transport Operations

CNSC staff reported that COGEMA reported three events pursuant to section 19 of the *Packaging and Transport of Nuclear Substances Regulations*. These incidents involved damage to a yellowcake drum during handling, which resulted in leakage of yellowcake during transit. CNSC staff considers that COGEMA responded in a satisfactory and timely manner to these events. There have been no further occurrences.

CNSC staff reported that it conducted one packaging and transport audit during the review period in cooperation with Transport Canada. CNSC staff considers that COGEMA has satisfactorily addressed all action items identified during the audit. CNSC staff also pointed out

that the inspections performed during the review period showed consistent compliance with the packaging and transport requirements.

Quality Assurance

COGEMA reported that the McClean Lake Operation has a comprehensive Quality Assurance Manual that meets the objectives and requirements defined by the corporate Integrated Quality Management System (IQMS). COGEMA has also achieved ISO 14001 certification for its Environmental Management System (EMS). CNSC staff confirmed that the McClean Lake IQMS has been in place since 1999 and that it is updated annually as required. CNSC staff also noted that COGEMA has satisfactorily implemented the EMS Environmental Code of Practice since it was established in 2001. CNSC staff noted that the inspections performed during the review period showed consistent compliance with quality assurance requirements.

CNSC staff reported that it performed a quality assurance audit in September 2004, and that the preliminary findings identified some deficiencies that needed to be addressed by COGEMA. CNSC staff explained that, while these deficiencies did not represent an immediate unreasonable risk to health, safety, security or the environment, they were of a type that could combine into future significant undesirable effects. CNSC staff has reviewed COGEMA's responses to the audit and considers them to be acceptable. CNSC staff noted that it will continue to verify the implementation and effectiveness of the remedial actions.

In response to the Commission's questions on COGEMA's organizational management structure, COGEMA stated that it has designed the structure to minimize the potential for lack of certainty of roles and responsibilities within the management team. CNSC staff concurred with this statement, but noted that COGEMA's organizational management structure is one area within the design control process (discussed further below) that CNSC staff will be monitoring in detail in the future.

Quality Assurance in the Proposed Modifications to the JEB Mill

COGEMA indicated that the design for the JEB Mill expansion project is following a nine-element process for design control, as described in the Integrated QMS manual. COGEMA also stated that this design control process would be strengthened for those changes that will be required within the existing mill facility.

CNSC staff noted that, during a recent quality assurance audit of the facility, it had stressed to COGEMA the importance of having an acceptable design control program in place prior to commencing the JEB mill expansion. CNSC staff reported that it has reviewed COGEMA's documentation on the design control process and considers it to be acceptable. CNSC staff is satisfied that COGEMA is committed to the successful and timely implementation of the design control process prior to commencing the JEB Mill expansion. CNSC staff will continue to verify compliance with and effectiveness of the design control process in respect of the JEB Mill expansion.

CNSC staff reported that it has also reviewed COGEMA's Project Management Plan for the modifications and is satisfied that the QA requirements are sufficiently detailed.

Conclusion on Operational Compliance

The Commission concludes that the past operating compliance at the McClean Lake facility provides a positive indication of COGEMA's ability to carry out the proposed activities under the amended licence. While the Commission acknowledges COGEMA's efforts to establish a quality assurance program for assuring sustained operational performance, the Commission notes that full compliance has not yet been achieved. The Commission requests that an update on the status of the quality assurance program form part of the requested mid-term report to the Commission on the overall facility performance.

3.5 Emergency Preparedness and Fire Protection

With respect to the protection of persons and the environment during emergencies that could arise at the McClean Lake mine site, COGEMA reported that safety and hazard awareness training is provided to all personnel during their initial site orientation. COGEMA also maintains an Emergency Response Team, and has safety officers who conduct inspections of all emergency response equipment. Fire drills and emergency exercises are also held once per year. From its inspection findings, CNSC staff noted that COGEMA has shown consistent compliance with emergency preparedness requirements during the review period. However, due to the fact that there are no licence conditions on fire protection in the current licence, CNSC staff has not yet formally evaluated the licensee's compliance with fire protection requirements. In this regard, CNSC staff recommended that the Commission add conditions on fire protection to the new licence.

COGEMA reported that an Emergency Response Plan has been established and is regularly maintained. CNSC staff confirmed that the McClean Lake Operation has up-to-date plans to respond to on-site and off-site emergencies. The McClean Lake Operation is also party to a mutual assistance agreement with other mine sites in the area to ensure sufficient numbers of trained personnel can be made available to respond to any emergency situation.

Based on this information, the Commission is satisfied that, for the operation of the McClean Lake facility, COGEMA will be adequately prepared for emergencies that could arise.

3.6 Security

The Commission notes that security matters were addressed in closed session. The Commission is satisfied with the security measures in place at the facility and the performance of the licensee in this regard.

3.7 Decommissioning Plan and Financial Guarantee

With respect to the decommissioning plan and related financial guarantee for the McClean Lake facility, COGEMA reported that the Preliminary Decommissioning Plan (PDP) was submitted in September 2004. CNSC staff noted that the PDP (revision 4) was reviewed in cooperation with Saskatchewan Environment and found to meet all requirements.

COGEMA indicated that a financial guarantee is in place in the form of letters of credit valued at \$35 million. The decommissioning cost estimate and value of the guarantee were not substantially changed during the most recent revision of the PDP in March 2005. CNSC staff concurred with COGEMA, and added that the letters of credit are in good standing and have an annual self-renewing date.

Based on this information, the Commission considers that the PDP and related financial guarantee are acceptable for the purpose of the current application for licence renewal.

3.8 Public Information Program

With respect to the CNSC's requirement that licensees maintain acceptable public information programs, COGEMA reported that there are a number of general ongoing programs and project specific activities that are primarily focused on informing the residents of northern Saskatchewan. CNSC staff expressed its satisfaction with the program, remarking that COGEMA's communication activities are varied and appear to reach all of their target audiences.

In its intervention, the Northern Saskatchewan Environmental Quality Committee (EQC) expressed the view that the McClean Lake mining facility and COGEMA staff have been very open and responsive to the concerns and questions brought forward by the EQC. The EQC added that it visited the McClean Lake site at least once per year since the beginning of operations. In response to a question from the Commission, the EQC stated that it was satisfied that the plans that are being developed would adequately protect the surrounding environment.

In their intervention, M. and J. Penna indicated their dissatisfaction with COGEMA's public information program and suggested that, in their view, it represents a deliberate attempt to "keep the public in the dark". In response to the Commission's questions on the information program, COGEMA stated that all of the information referred to in the intervenors submission is available in public documents. CNSC staff concurred with this statement. CNSC staff indicated that requests from the public are promptly responded to, and that they had not received any requests for information to date.

Based on the above information, the Commission is satisfied that COGEMA has an acceptable public information program in place for the McClean Lake facility.

3.9 Safeguards and Non-Proliferation

Concerning the requirement for COGEMA to make adequate provision to ensure maintenance of Canada's international obligations for safeguards and non-proliferation, CNSC staff noted that the McClean Lake Operation is not subject to routine safeguards requirements. However, the IAEA has the right to request complementary access to a location under the Additional Protocol. CNSC staff indicated that COGEMA has procedures in place to facilitate prompt access to IAEA inspectors in this regard. CNSC staff also noted that it has reviewed the access procedures and considers them to meet requirements. The IAEA inspected the McClean Lake site in 2002 and reported no concerns.

Based on this information, the Commission is satisfied that COGEMA has made, and will continue to make, adequate provisions in the areas of safeguards and non-proliferation at the McClean Lake facility that are necessary for maintaining national security and measures necessary for implementing international agreements to which Canada has agreed.

3.10 Canadian Environmental Assessment Act

Before making a licensing decision, the Commission must be satisfied that all applicable requirements of the *Canadian Environmental Assessment Act* (CEAA) have been fulfilled. CNSC staff stated that no environmental assessment is required under the CEAA because the renewal of the operating licence is not a trigger for such an assessment.

B. Adamson, in his intervention, questioned the CNSC staff's reasoning for why an environmental assessment is not required for a project that involves the processing of an important amount of radioactive material. In response, COGEMA stated that the proposed modification to the JEB mill is within the scope of a previous environmental assessment. CNSC staff further explained that a proposal for the expansion of the JEB mill was submitted and considered by an earlier Joint Review Panel, which submitted its recommendations in 1997. The Joint Panel recommended that a number of conditions be met before regulatory approval of the mining activities described in an environmental impact statement (October 1995) is granted. CNSC staff considers that the conditions as described in Chapter 4.0 of the Joint Panel Report have been, or are being, satisfactorily completed. CNSC staff reported that COGEMA provided a comparison of the current proposed project and the proposal that was assessed and conditionally accepted by the Joint Panel in 1997. None of the changes transform the project into a new proposal. Therefore, CNSC staff interprets subsection 74(1) of the *CEAA* as also applying to the McClean Lake project and, accordingly, no further environmental assessment of the project is required. CNSC staff noted that this determination is based on the information and assumptions provided by the proponent on the proposed project.

Related to this position of CNSC staff on the application of the CEAA, the Commission notes that, on March 24, 2005, the Supreme Court of Canada dismissed a leave to appeal from Inter-Church Uranium Committee Education Cooperative in the matter of a licence granted to COGEMA. The Commission also notes the former decision from the Federal Court of Appeal rendered on September 3, 2004 that validated a licence on this matter along with the environmental process involved.

Based on the above information and considerations, the Commission accepts the CNSC staff's determination and is satisfied that no environmental assessment is required pursuant to the CEAA prior to the Commission making a decision on the application for renewal of the licence with the proposed changes.

3.11 Licence Length

COGEMA, in its submission, requested a licence term of four years. COGEMA commented that it did not request a longer licence term since it anticipates requesting an amendment to the licence for the operation of the expanded JEB mill within the term requested.

CNSC staff recommended, with reasons, that the Commission should accept the proposed four-year licence term requested by COGEMA.

The Commission sought the CNSC staff's advice concerning the appropriateness of a mid-term status report on the performance of the facility. In response, CNSC staff agreed to present a status report to the Commission as soon as practicable after the mid-point of the licence term (i.e., approximately May 2007).

Based on the above information and considerations, the Commission is satisfied that a four-year licence is appropriate in this case. The Commission requests CNSC staff to provide a status report as soon as practicable after the mid-point of the licence (approximately May 2007).

4. Conclusion

The Commission has considered the information and submissions of the applicant, CNSC staff and intervenors as presented in the material available for reference on the record.

The Commission is satisfied that COGEMA is qualified to carry on the activities that the licence will authorize. The Commission is also satisfied that COGEMA, in carrying on that activity, will make adequate provision for the protection of the environment, the health and safety of persons, and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

The Commission therefore, pursuant to section 24 of the *Nuclear Safety and Control Act*, renews with the requested amendments the Uranium Mine Operating Licence for the McClean Lake facility, held by COGEMA Resources Inc., Saskatchewan. The licence (UMOL-MINEMILL-McCLEAN.00/2009) is valid until May 30, 2009, unless suspended, amended, revoked or replaced.

The Commission includes in the licence the conditions recommended by CNSC staff in CMD 05-H2 and as modified in CMD 05-H2.A.

Furthermore, the Commission concurrently revokes the current licence for the facility UMOL-MINEMILL-McCLEAN.09/2005.

The Commission requests that CNSC staff present to the Commission a mid-term report on the performance of the facility at the approximate mid-point in the four-year term of the licence. The mid-term report will be presented at a public proceeding of the Commission.

Marc A. Leblanc
Secretary,
Canadian Nuclear Safety Commission

Date of decision: April 6, 2005

Date of release of Reasons for Decision: May 19, 2005

Appendix A – Intervenors

Intervenors	Document Number
Canadian Nuclear Workers Council and the Communications, Energy, Paperworkers Union (CEP) Local 48S, represented by D. Shier	CMD 05-H2.2
M. Shiell	CMD 05-H2.3
Northern Saskatchewan Environmental Quality Committee, represented by F. MacDonald	CMD 05-H2.4
B. Adamson	CMD 05-H2.5
M. and J. Penna	CMD 05-H2.6