

# Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant Cameco Corporation

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Subject Application to manage a nuclear facility and evaluate  
mining methods at the Cigar Lake Project

Date December 11, 2001

## RECORD OF PROCEEDINGS

**Applicant:** Cameco Corporation

**Address/Location:** 2121-11<sup>th</sup> Street West, Saskatoon, Saskatchewan S7M 1J3

**Purpose:** Application to manage a nuclear facility and evaluate mining methods at the Cigar Lake Project

**Application received:** July 5, 2001

**Date(s) of hearing:** **Day 1:** October 4, 2001      **Day 2:** November 15, 2001

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

**Members present:** L.J. Keen, Chair                      Y.M. Giroux  
C.R. Barnes    L.J. MacLachlan  
A.R. Graham

**Counsel:** I.V. Gendron (Day 1) and S.K. Fraser (Day 2)

**Secretary:** G.C. Jack (Day 1) and M. Leblanc (Day 2)

**Recording Secretary:** C.N. Taylor

Applicant Represented By	Document Number
<ul style="list-style-type: none"> <li>• J. Tosney, President</li> <li>• B. Michel, Chair and Chief Executive Officer</li> <li>• B. Schmitke, General Manager</li> <li>• G. Chad, Senior Vice-President, Law and Regulatory Affairs and Corporate Secretary</li> <li>• J. Jarrell, Vice-President of Environment and Safety Environment</li> <li>• M. Wittrup, Director of Environment</li> </ul>	CMD 01-H27.1 CMD 01-H27.1A
CNSC Staff	Document Number
<ul style="list-style-type: none"> <li>• K. Pereira</li> <li>• R. McCabe</li> </ul>	CMD 01-H27
Intervenor	Document Number
<ul style="list-style-type: none"> <li>• E. Becker, Saskatchewan Department of Labour</li> </ul>	

**Decision and Reasons:**

**Licence/Amendment:**      Issued: **X**                      Not Issued:

**Date of Decision:**              November 15, 2001

## 1. Introduction

The owners of the Cigar Lake Project wish to change the operator of the Cigar Lake Project from Cigar Lake Mining Corporation (CLMC) to Cameco Corporation (Cameco). Consequently, Cameco has applied to the Canadian Nuclear Safety Commission for a Uranium Mine Site Preparation Licence for the Cigar Lake Project. In an application dated July 5, 2001, CLMC has also requested that its current Uranium Mine Site Preparation Licence be revoked.

The Cigar Lake Project is an underground test mine that has been developed over the past 10 years to evaluate mining methods and to verify if the high-grade Cigar Lake uranium ore can be mined while protecting the health and safety of workers and the environment.

On June 28, 2001, the Commission issued the current Uranium Mine Site Preparation Licence to CLMC for a 3-year period, during which time the main activity would be the care and maintenance of the mine with the possibility of further test mining activities.

The proposed change of operator would not change the type or scope of the activities previously authorized by the Commission for the Cigar Lake Project. Furthermore, the ownership of the Cigar Lake Project would be unaffected by the change in operator.

## 2. Decision

The Canadian Nuclear Safety Commission, in making its decision, considered information presented at a public hearing held on October 4, 2001 and November 15, 2001 in Ottawa, Ontario.

Based on its consideration of the matter, as described in more detail in the following sections,

The Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, issues a Uranium Mine Site Preparation Licence to Cameco Corporation, Saskatoon, Saskatchewan, for the Cigar Lake Project, coincident with the revocation of Cigar Lake Mining Corporation's current Uranium Mine Site Preparation Licence UMSL-Excavate-Cigar.05/2004. The licence, UMSL-Excavate-Cigar.00/2004, is valid from January 1, 2002 to July 31, 2004, unless suspended, amended, revoked or replaced.

The Commission includes in the licence the conditions of the previous licence issued to CLMC (UMSL-Excavate-Cigar.05/2004), with minor clarifications of wording and adjustments applicable to the new operator organization.

### **3. The Public Hearing Process**

The public hearing, conducted under the *Nuclear Safety and Control Act* and the *Canadian Nuclear Safety Commission Rules of Procedure*, was held in Ottawa, Ontario over two days; October 4, 2001 and November 15, 2001. Public notice of the hearing was issued on July 25, 2001. The Commission received written submissions and heard oral presentations from CNSC staff (CMD 01-H27) and Cameco Corporation (CMD 01-H27.1 and 01-H27.1A). There were no intervenors.

## **4. Issues and Commission Findings**

### **4.1 Worker Safety**

The Commission considered whether the proposed change in operator would affect the measures currently in place at the Cigar Lake Project for the purpose of protecting workers from radiation and other occupational hazards.

The Commission confirmed with Cameco during the hearing that most of the employees of CLMC will be transferred directly to the employ of Cameco Corporation, including the General Manager of the project and the Superintendent of Health, Safety and Environment. Cameco and CNSC staff emphasized during the hearing that, with the exception of minor modifications to the licensing documentation to reflect the new operator, the project would continue with essentially the same complement and continuity of staff and management. In response to questions from the Commission on how the change would affect the complement of staff, Cameco further noted that the change in operator would provide the project staff with greater access to Cameco's head office support in areas of safety, environment and engineering, thus improving the overall safety organization at the site.

The Commission questioned both CNSC staff and a representative from Saskatchewan Labour on the potential impact of the new operator management on safety at the Cigar Lake Project. Both CNSC staff and Saskatchewan Labour responded that they have no safety concerns related to the proposed change.

Specifically with regards to radiological safety, the Commission sought further assurances from Cameco and CNSC staff that Cameco has the appropriate expertise and experience to control worker doses while test mining in high-grade ore bodies. Cameco explained to the Commission that it has considerable experience in the mining of high-grade ores at other mines in northern Saskatchewan and that, with the use of remotely operated equipment in high dose areas, the worker doses can often be maintained lower than in low-grade ore mines where more conventional mining methods are employed. CNSC staff concurred with Cameco's observation and indicated to the Commission that CNSC staff are now experienced in the regulation of worker doses in high-grade ore mines and that they are applying that experience and knowledge in the up-front evaluation of the design of the radiation protection programs.

Based on this information, the Commission is of the opinion that the change in operator will not significantly affect the currently acceptable safety procedures, management structure, or general safety culture at the project site. The Commission is also satisfied that Cameco is qualified to carry on the activities proposed under the licence.

#### **4.2 Environmental Protection**

The Commission considered the commitment by Cameco to abide by all the commitments, policies, programs and procedures set out in CLMC's earlier application that the Commission approved on June 28, 2001, including those for protecting the environment. The Commission also considered CNSC staff's opinion that the policies for safety and environment identified by Cameco for the Cigar Lake Project are acceptable.

During the hearing, Cameco confirmed that condition EP3 of the current licence had been fulfilled by Cameco on November 13, 2001. This was a condition that required the licensee to submit a procedure that identifies when and how a spill of a hazardous substance to the environment will be reported to CNSC, and what measures will be taken to remediate the impact of the spills on the environment.

Based on the information provided during the hearing, the Commission is satisfied that Cameco will make adequate provisions for protecting the environment at the Cigar Lake Project.

#### **4.3 Security and Safeguards**

The Commission was informed by CNSC staff during the hearing that CLMC had made satisfactory progress in preparing for the implementation of complementary access under the Additional Protocol to the IAEA agreement on safeguards and that Cameco has shown its commitment to continue to support that initiative.

The Commission is satisfied that the provisions for security and safeguards at the Cigar Lake Project are adequate.

#### **4.4 Quality Assurance**

During the hearing, CNSC staff noted that the corporate-level aspects of CLMC's quality assurance program did not meet the CNSC requirements, and a condition of the current licence required that CLMC submit a plan and schedule for meeting that requirement by September 29, 2001.

However, in light of the proposed change in operator for the Cigar Lake Project from CLMC to Cameco, CNSC staff have recommended that the submission of the plan and schedule for quality

assurance by Cameco be aligned with the required submission date for similar corporate quality assurance information by Cameco at its other uranium mine and mill operations in northern Saskatchewan. The proposed date for filing that information is April 30, 2002.

During the hearing, the Commission clarified with Cameco the current roles and reporting structure for the Quality Assurance Manager at the Cigar Lake Project. Cameco explained that the Quality Assurance Manager reports directly to the Chairman and CEO, thus providing high-level management attention to quality issues. Furthermore, Cameco explained that the Quality Assurance Manager meets regularly with other senior management in a committee forum.

Based on the information provided, the Commission is satisfied that the change of the submission date for the quality assurance plan and schedule is acceptable. The Commission, is also of the opinion that Cameco's site-specific quality assurance at the Cigar Lake Project will provide adequate attention to quality issues until the corporate quality assurance provisions are established in accordance with the regulatory requirement.

#### **4.5 Decommissioning and Financial Guarantee**

CNSC staff reported to the Commission during the hearing that the current decommissioning plan for the Cigar Lake Project was prepared in 1997 and that it was used to establish a financial guarantee of \$4.21 million. CNSC staff further recommended that the requirement previously placed on CLMC to revise the decommissioning plan and guarantee by March 1, 2002 be retained for Cameco in the proposed new licence.

The Commission confirmed with Cameco during the hearing that the change in operator would not affect the amount of the financial guarantee. In questions to CNSC staff during the hearing, the Commission also confirmed that CNSC staff consider the \$4.21 million to be adequate for addressing the decommission liabilities currently existing on the site. CNSC staff noted, however, that the amount will be reviewed at each significant stage in the development of the site.

During the hearing, Cameco reported to the Commission that steps had been initiated to have the letters of credit for the financial guarantee, subject to a positive decision by the Commission on the application, re-issued with Cameco named as the operator.

The Commission is satisfied that adequate attention is being given to revising and maintaining a decommissioning plan and financial guarantee for the Cigar Lake Project. The Commission also concurs with the CNSC staff recommendation that the licence include a condition requiring Cameco to file the next revised decommissioning plan and financial guarantee by March 1, 2002.

#### **4.6 Public Information**

In response to the CNSC requirement to maintain adequate public information programs, Cameco reported to the Commission during the hearing on the types of public consultation activities underway for the Cigar Lake Project. Cameco highlighted for the Commission their interactions with the Athabasca Region Environmental Quality Committee, the Athabasca Working Group, and the Northern Labour Market Committee. Cameco also noted that they participate in regular joint meetings of the regulatory departments and agencies involved in the project. The proposed change in operator for the Cigar Lake Project was also reported in the local newsletter, Opportunities North.

The Commission noted that Cameco's public information and consultation programs, despite some public meetings in Saskatoon, appear to provide fewer opportunities for direct involvement of interested parties in southern Saskatchewan. The Commission encouraged Cameco to ensure its public programs also attempt to engage interested parties other than northern residents.

On balance, the Commission is of the opinion that Cameco's public information programs for the Cigar Lake Project are adequate.

#### **4.7 Canadian Environmental Assessment Act**

The Commission concurs with the CNSC staff determination that a further environmental assessment of the proposed activities at the Cigar Lake Project is not required under the *Canadian Environmental Assessment Act* (CEAA). The proposed activities are within the scope of activities previously assessed under the federal environmental assessment process and therefore section 3 (General) and section 2 of Schedule 1, Part 1 of the *Exclusion List Regulations* apply.

### **5. Conclusion**

The Commission has considered the information and submissions of Commission staff and all participants as set out in the material available for reference on the record, as well as the oral and written submissions provided or made by the participants at the hearing. The Commission accepts the information set out in CMD 01-H27 prepared by CNSC staff and the submissions, statements of law, conclusions and recommendations set out in these documents.

The Commission is of the opinion that the applicant satisfies the requirements of subsection 24 (4) of the *Nuclear Safety and Control Act*.

The Commission therefore issues, pursuant to section 24 of the *Nuclear Safety and Control Act*, licence UMSL-Excavate-Cigar.00/2004 to Cameco Corporation. The licence will be valid from January 1, 2002 to July 31, 2004, unless suspended, amended, revoked or replaced.

The Commission also revokes, pursuant to section 24 of the *Nuclear Safety and Control Act*, licence UMSL-Excavate-Cigar.05/2004 held by Cigar Lake Mining Corporation, effective midnight on the date of the coming into force of Uranium Mine Site Preparation Licence UMSL-Excavate-Cigar.00/2004 to Cameco Corporation.

Marc A. Leblanc  
Secretary,  
Canadian Nuclear Safety Commission

Date of decision: November 15, 2001

Date of release of Reasons for Decision: December 11, 2001