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VIA EMAIL

Mr. Brian Torrie
Director General
Regulatory Policy Directorate
Canadian Nuclear Safety Commission
280 Slater Street
PO Box 1046, Station B
Ottawa, ON K1P 5S9

Dear Mr. Torrie:

Cameco Response to Discussion Paper DIS-15-01: Proposal to Amend the Nuclear Non-proliferation Import and Export Control Regulations

Cameco Corporation (Cameco) has reviewed the proposed changes to the *Nuclear Non-proliferation Import and Export Control Regulations* (NNIECR) set out in Discussion Paper DIS-15-01. We have prepared the following comments that correspond to the numbered section identified in DIS-15-01 for your consideration.

2. NNIECR schedule attached as Appendix A

The Canadian Nuclear Safety Commission (CNSC) provided advance notice of the changes identified in Appendix A and, at this time, Cameco does not have any significant concerns with these changes.

2.1. Proposed corrections/clarifications to schedule entries

2.1.1. Addition of technical notes

Cameco supports the addition of the introductory and explanatory notes from the Nuclear Suppliers Group control list.

2.1.3. Description of technology

Cameco sees this change as a useful clarification to address both tangible and intangible modes of export.

2.1.5. Description of end-use controls

Cameco does not object to end-use controls for the export of unsafeguarded nuclear activities. Cameco is concerned, however, that it is unclear what activities are intended to be captured by the revisions to paragraphs B.1.1.20 and B.2.7.6. Cameco recommends that a definition for “unsafeguarded nuclear fuel cycle activity” be included in the regulations or that additional clarification be provided.

2.3. Proposed additional application information requirements

- 3(1)(a) - Cameco has no objection to the addition of this requirement.
- 3(1)(i) - Although Cameco can provide the anticipated place of exit for our exports, Cameco does not manage the transportation of imports. As a result, requesting this information from the exporter would increase our administrative burden in completing import licence applications without any clear explanation as to how this additional information will assist the CNSC in assessing proliferation risk.
- 3(1)(k) - Cameco strongly objects to addition of this requirement as proposed. Although Cameco has a number of written procedures in place, Cameco considers these to be confidential and proprietary management documents. Cameco developed these procedures at considerable cost in terms of both time and expense in order to assist with regulatory compliance and Cameco views these documents as providing a competitive advantage. Once these documents are provided to a regulator, Cameco ultimately loses control over the documents and may incur significant expense in preventing other businesses from benefiting from the use of these valuable resources for which they have made no contribution.
- Cameco questions the need to develop specific procedures dealing with each of the requirements specified by the CNSC where general processes and procedures would suffice. In fact, in some cases, written procedures may be wholly unnecessary.
- Developing the proposed procedures will increase the administrative burden and costs for applicants without any identified benefit because a set of specific import and export procedures does not ensure compliance – it only assists in assessing compliance.
- There are alternatives for the CNSC to assessing compliance. The CNSC has the ability to inspect or audit its existing licensees, the majority of which are also applicants, and can review the licensee/applicant’s procedures, protocols or standard practices during an inspection or audit. The CNSC can thereby meet its obligations and objectives without compromising a licensee/applicant’s proprietary business systems.

2.4. Proposed record retention requirements

Cameco does not object to the proposed change in record retention.

2.5. Proposed amendment to the GNSCR

Cameco supports an amendment to s. 18 of the *General Nuclear Safety and Control Regulations* (GNSCR), but we would like to have some clarification provided. Specifically, this proposed section as drafted permits the import and export of all prescribed information without the presentation of an import or export licence to a customs officer regardless of whether the information is in a tangible or an intangible format.

We question whether this was the intent of the amendment based on the commentary preceding the proposed regulation.

4. Public Input – Licensee Estimates of Cost Effects on Changes in Administrative Burden

Number of employees whose administrative activities would be affected by the proposed changes:

- 2.1 Proposed corrections/clarifications to schedule entries: two employees
- 2.2 Proposed exemptions to schedule entries: nil
- 2.3 Proposed additional application information requirements: ten employees
- 2.4 Proposed record retention requirement: ten employees
- 2.5 Proposed amendment to the GNSCR: nil

Generic position titles of affected employees:

- manager
- logistics specialists
- marketing specialists
- engineers
- supply chain specialists

Estimated hours per annum for employees to perform proposed administrative tasks:

- 100 hours of additional support (excluding making any new procedures).
- An additional 100 hours if new compliance procedures must be formalized.

Estimated employee hours per annum saved through licensing exemptions and clarifications:

- Time savings would be negligible.

Approximately salary costs for change in administrative:

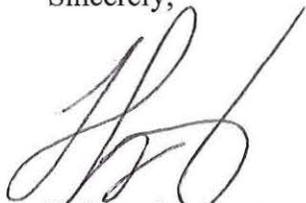
- Cameco estimates salary costs for 100 hours of additional support would be \$12,000 per annum. If new compliance procedures are required, then the initial estimated salary costs would be \$15,000 with additional on-going annual costs to review and revise these procedures as necessary.

Suggestions for reducing costs to meet objectives of the proposal without compromising safety:

- Cameco suggests that the CNSC can meet the objectives of the proposal without requiring written compliance procedures, which would, in some instances, require additional cost to create a written document for an existing practice. Further, if the CNSC proceeds with the proposal to require written compliance procedures, applicants should not be required to create specific procedures for each requirement set out in DIS-15-01 because this increases administrative burden and costs to comply with the CNSC's requirements with no clear benefit articulated, safety or otherwise. Finally, the proposal to require the submission of written compliance procedures (specific or not) also increases administrative burden and costs without additional benefit.

Cameco would be pleased to respond to any further questions. Please contact the undersigned at (306) 956-6685 or liam_mooney@cameco.com.

Sincerely,



R. Liam Mooney
Vice-President
Safety, Health, Environment, Quality & Regulatory Relations
Cameco Corporation

DA:lp

c: R. Chute, T. Gabruch, Regulatory Records - Cameco