



June 11, 2015

Canadian Nuclear Safety Commission  
P.O. Box 1046, Station B  
280 Slater Street  
Ottawa, Ontario, Canada  
K1P 5S9

To: The Canadian Nuclear Safety Commission

Re: Consultation on discussion paper DIS-15-01

On behalf of Vale, I want to thank you for the opportunity to comment on the above-mentioned discussion paper.

Vale Canada is one of Canada's largest mining companies, with Canadian operations in Sudbury and Port Colborne, Ontario; Thompson, Manitoba and Voisey's Bay and Long Harbour, Newfoundland and Labrador. Vale's Base Metals unit, with its headquarters in Toronto, is the world's largest nickel producer and a leading producer of copper, platinum group metals and cobalt. Vale Canada is part of Vale S.A. (NYSE: VALE) (together, "Vale"), the world's largest producer of iron ore and pellets. Vale S.A. is also a leading producer of manganese, ferroalloys, thermal and coking coal, and fertilizer nutrients. Present in 30 countries, Vale employs more than 200,000 people.

One of the products produced at Vale Canada's operations in Sudbury, Ontario is a nickel powder that falls under the Dual-Use classification. Given this designation, any exports of this material are controlled under the Department of Foreign Affairs and International Trade (DFAIT), as well as the Canadian Nuclear Safety Commission (CNSC). Every year Vale Canada exports approximately 10,000 metric tons of this material globally.

Vale Canada prides itself on making every effort to ensure compliance with the regulations set out by DFAIT, CNSC, and the Canadian Border Services Agency (CBSA) as it relates to our Sudbury-produced nickel powder.

Vale's nickel refinery in Clydach, UK, produces a similar nickel powder that falls under the same international treaties for Dual-Use products. However, powder exports from the UK are governed by a less complex domestic policy.

Vale has been in dialogue with CNSC for several years on the licensing requirements and challenges we encounter with the existing processes. We would like to use this invitation for consultation on discussion paper DIS-15-01 to respectfully propose options for simplifying and improving the CNSC licensing process while maintaining the system's integrity and safety.

Vale Canada comments in response to discussion paper DIS-15-01, *Proposal to Amend the Nuclear Non-proliferation Import and Export Control Regulations*:

### 1. Adopt a similar process to the USA or EU

Exports of powders from our Clydach, UK operations are subject to different national requirements even though they fall under the same international treaties for Dual-Use products. Shipments within the EU are not subject to authorization. Instead, a General Community Export Authorization (GCEA) exists where a general license is the only requirement to ship with no end user statements. A single general license covers all of the countries listed in the GCEA and includes Australia, Canada, Japan, New Zealand, Norway, Switzerland and the USA.

Exports from the United States are controlled by the U.S. Department of Commerce, and certain countries are exempt from licensing requirements as defined by the Commerce Control List overview and the Country Chart. Countries that do not require licenses include Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, South Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom. For countries requiring a licence the process is similar to Canadian export controls.

Vale Canada respectfully submits these examples for consideration in the modification of the licensing and reporting process required by CNSC. This would help align Canada with other countries operating under the same international treaties for Dual-Use products.

### 2. Streamline the process for exports to the USA

Vale Canada is issued a single license by CNSC that allows for the export of nickel powders to multiple end users in the USA. Since this is a major portion of Vale Canada's exports it relieves a significant administrative burden that would otherwise be required if the USA were treated the same as other countries. Further consolidation of requirements would help support business with this trading partner. Currently, Vale Canada is required to report to other governmental organizations such as DFAIT and CBSA. If the reporting requirements to these organizations were aligned or centralized it would benefit all parties.

### 3. Review New Reporting Conditions

Licenses issued by CNSC include the reporting requirements listed within the document. In 2014, an additional statement was included in section 2.1 *Annual Report* requiring an additional report to be submitted within 30 days of the expiry of a license (the "Expiry Report"). The full text from a license issued by CNSC is included below:

#### *ANNUAL Report*

*2.1 The licensee shall, by January 31<sup>st</sup> of each year, submit to the Designated Officer a written annual report as per Appendix A on exports made under this license during the previous calendar year. In the case of a licence expiry, a report should be submitted within 30 days of expiry on any*

*exports made between the previous Annual Report and the licence expiry date. Nil reports should also be submitted if no exports were made during the year.*

Vale Canada prepares and submits annual reports for all licenses as required by CNSC, a process which includes reporting on licenses that have expired. With the change introduced in 2014, expired licenses will now be included not only in the annual report but in a separate Expiry Report within 30 days of expiry. This is a duplication of time, effort and information. Vale Canada's licenses are granted for a period of two years. The inclusion of the new Expiry Report requirement on licenses issued in 2014 will generate an additional 73 reports in 2016 and an increase to the full number of licenses in years following. Though the number of end users fluctuates, Vale Canada can have upwards of 180 active export licenses at any given time. The content of each Expiry Report will be duplicated in the subsequent year-end report.

Vale Canada is committed to safety and compliance in its operations, including the export of nickel powders classified as Dual-Use under international nuclear non-proliferation treaties. We respectfully submit that incorporating some or all of these comments will prove mutually beneficial to CNSC and Vale while maintaining the level of integrity and security intended.

Please feel free to contact us if you have any questions about the above comments or would like to discuss further.

Sincerely;

A handwritten signature in black ink, appearing to read 'P. Graham', with a stylized, cursive script.

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