

Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant Zircatec Precision Industries Inc.

Subject Application to Amend the Nuclear Fuel Facility
Operating Licence Issued to Zircatec Precision
Industries Inc. to Reflect a Name Change to
Cameco Fuel Manufacturing Inc.

Hearing
Date November 28, 2008

RECORD OF PROCEEDINGS

Applicant: Zircatec Precision Industries Inc.

Address/Location: 200 Dorset St. East, Port Hope, Ontario, L1A 3V4

Purpose: Application to amend the nuclear fuel facility operating licence issued to Zircatec Precision Industries Inc. to reflect a name change to Cameco Fuel Manufacturing Inc.

Application received: June 27, 2008

Date of hearing: November 28, 2008

Location: Canadian Nuclear Safety Commission (CNSC), 280 Slater St., Ottawa, Ontario

Members present: M. Binder, Chair

Secretary: K. McGee

Recording Secretary: M. Young

Licence: Amended

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Introduction

1. Zircatec Precision Industries Inc. (Zircatec) has applied to the Canadian Nuclear Safety Commission¹ (CNSC) for an amendment to its nuclear fuel facility operating licence for its fuel fabrication facility in Port Hope, Ontario. The current nuclear fuel facility operating licence is FFOL-3641.1/2012.
2. The facility produces nuclear fuel and nuclear fuel bundles for CANDU reactors operating in Canada. The facility converts uranium dioxide powder provided by Cameco Corporation's (Cameco) Port Hope uranium conversion facility to sintered pellets for fuel assembly, which are inserted into fuel bundles.
3. Zircatec, which is 100% owned by Cameco, intends to change its name to Cameco Fuel Manufacturing Inc.

Issue

4. In considering the application, the Commission was required to decide, pursuant to subsection 24(4) of the *Nuclear Safety and Control Act*²:
 - a) if Zircatec is qualified to carry on the activity that the amended licence would authorize; and
 - b) if, in carrying on that activity, Zircatec 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.

Hearing

5. The Commission, in making its decision, considered information presented for a hearing held on November 28, 2008 in Ottawa, Ontario. During the hearing, the Commission considered written submissions from CNSC staff (CMD 08-H140) and Zircatec (CMD 08-H140.1).

Decision

6. 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 Zircatec has met the conditions of subsection 24(4) of the NSCA. Therefore,

¹ 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.

² S.C. 1997, c. 9.

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, amends the fuel facility operating licence FFOL-3641.1/2012 issued to Zircatec Precision Industries Inc. for its fuel fabrication facility. The amended licence, FFOL-3641.2/2012, issued to Cameco Fuel Manufacturing Inc. remains valid until February 29, 2012.

7. The Commission includes in the licence the changes as recommended by CNSC staff in CMD 08-H140.

Issues and Commission Findings

Qualifications and Protection Measures

8. Zircatec stated that it will not make any changes to the facility, organizational structure overseeing the operation processes, quality assurance, radiological protection, nuclear material control, or safety and emergency plans and procedures which are currently in effect at the facility. Zircatec further stated that all current Zircatec documentation used to support the current licence will remain in force and will be altered to reflect the name change.
9. Zircatec stated that the financial guarantee accepted³ by the Commission following a hearing on September 13, 2007, an irrevocable letter of credit issued to Cameco, will be replaced to reflect the name change. CNSC staff noted that all terms and conditions of the letter of credit to be provided by Cameco Fuel Manufacturing Inc. will be the same as those in the current Zircatec letter of credit.
10. CNSC staff stated that the name change is administrative in nature, and will not affect the operation of the facility, processes and organization, quality assurance, radiological protection, nuclear material control, or safety and emergency plans and procedures that are currently in effect at the facility. CNSC staff stated that there is no change in the effective control over the operations of the facility as the same Zircatec personnel will continue to carry on the activities described in the licence.

³ Refer to the *Record of Proceedings* on the “Financial Guarantee for the Future Decommissioning of the Class IB Nuclear Fuel Facility Located in Port Hope, Ontario”, hearing date September 13, 2007.

Application of the *Canadian Environmental Assessment Act*

11. Before making a licensing decision, the Commission must be satisfied that all applicable requirements of the *Canadian Environmental Assessment Act*⁴ (CEAA) have been fulfilled.
12. CNSC staff reported that it had completed an Environmental Assessment (EA) determination. CNSC staff stated that there was no requirement for an EA pursuant to subsection 5(1) of the CEAA as the proposed amendment does not constitute a “project” as defined in section 2 of the CEAA.
13. Therefore, the Commission is satisfied that all applicable requirements of the CEAA have been fulfilled.



NOV 28 2008

Michael Binder
President,
Canadian Nuclear Safety Commission

Date

⁴ S.C. 1992, c. 37.