



Canadian Nuclear Safety Commission Commission canadienne de sûreté nucléaire

SPECIAL PROJECT SERVICE ARRANGEMENT

BETWEEN

THE CANADIAN NUCLEAR SAFETY COMMISSION

AND

THE NUCLEAR WASTE MANAGEMENT ORGANIZATION

Special Project Service Arrangement between CNSC and NWMO

This ARRANGEMENT is made between:

THE CANADIAN NUCLEAR SAFETY COMMISSION, 280 Slater Street, P.O. Box 1046, Station B, Ottawa, Ontario, K1P 5S9, Canada (herein referred to as the “CNSC”)

and

THE NUCLEAR WASTE MANAGEMENT ORGANIZATION, 22 St. Clair Avenue East, 6th Floor, Toronto, Ontario, M4T 2S3, Canada (herein referred to as “NWMO”)

(hereinafter sometimes referred together as the Parties).

WHEREAS the *Nuclear Safety and Control Act*, S.C. 1997, c. 9 (NSCA) assigns the CNSC statutory objects to: regulate the development, production and use of nuclear energy, and the production, possession and use of nuclear substances, prescribed equipment and prescribed information in order to prevent unreasonable risk to the environment, the health and safety of persons, and national security; to achieve conformity with measures of control and international obligations to which Canada has agreed; to disseminate objective scientific, technical and regulatory information to the public concerning the activities of the Commission and the effects on the environment and on the health and safety of persons, of the development, production, possession and use of nuclear energy;

AND WHEREAS the CNSC is a departmental corporation named in Schedule II of the *Financial Administration Act*, R.S.C. 1985, c. F-11 and an agent of Her Majesty, authorized by paragraph 21(1)(a) of the NSCA to enter into an arrangement in order to attain its objects and authorized by paragraph 21(1)(g) of the NSCA to charge such fees as may be prescribed for any service it provides under the NSCA;

AND WHEREAS the NWMO was established by the Nuclear Energy Corporations, pursuant to the *Nuclear Fuel Waste Act* S.C. 2002 c. 23 (NFWA), as a not-for-profit corporation that is not an agent of Her Majesty, for the purposes of implementing the Adaptive Phase Management (APM) approach selected by the Government of Canada for the long-term management of nuclear fuel waste;

AND WHEREAS in the early phases of implementing the APM approach, before any application is submitted to the CNSC, the NWMO has identified a need for services from the CNSC such as:

- the CNSC’s participation at NWMO public engagements to provide information on its role as a regulator, the requirements of the NSCA and the licensing process;

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- the CNSC's participation to review NWMO communication materials for conformity with the CNSC's regulatory role, the requirements of the NSCA and the licensing process;
- the CNSC's participation to provide information on regulatory requirements for the safe management of radioactive waste, such as natural uranium fuel waste and other forms as may be requested; and
- the CNSC's participation to provide information for the development by NWMO of key planning documents in areas related to regulatory requirements and process.

AND WHEREAS there is an interest for the CNSC to remain current with respect to NWMO activities and technical research;

AND WHEREAS in light of the statutory authority of the CNSC and the request by the NWMO, the CNSC and the NWMO have agreed to enter into an arrangement under paragraph 21(1)(a) of the NSCA for the provision of regulatory information and review during the early implementation of the APM approach chosen by the Federal Government for the management of used nuclear fuel. This is a service that for the period of the arrangement does not involve the submission of an application or the issuance of a licence under section 24 of the NSCA, and which is a special project, the fees for which are prescribed by the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations*, SOR/2003-212;

NOW THEREFORE THIS ARRANGEMENT WITNESSES that, in consideration of the respective covenants and arrangements of the parties herein contained and on the terms and subject to the conditions hereinafter set out, the parties agree as follows:

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PART I – GENERAL PROVISIONS

1. PURPOSE

The purpose of this arrangement is to set out the terms, conditions and understandings of the parties respecting the service and information to be provided according to the NSCA and its Regulations.

The following documents and any amendments thereto form the arrangement between the CNSC and the NWMO:

PART I – GENERAL PROVISIONS;

1. PURPOSE
2. DEFINITIONS
3. INTERPRETATIONS
4. GENERAL CONDITIONS
5. EXCHANGE OF INFORMATION
6. MEETINGS
7. PRE-PROJECT REVIEW PROCESS
8. COSTS
9. REPRESENTATIVES
10. EFFECTIVE DATE

Appendix “A” - Basis of Payment;

2. DEFINITIONS

For the purpose of this Arrangement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

“Arrangement” means this arrangement and any Appendix hereto, including any amendment to either the arrangement or its appendices, entered into by the parties from time to time;

“fiscal year” means the period beginning on April 1 in one calendar year and ending on March 31 in the next calendar year.

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3. INTERPRETATIONS

No Derogation or Abrogation

Nothing in this Arrangement shall be construed to abrogate or derogate from any of the statutory rights or responsibilities of the CNSC or NWMO.

Representations and Warranties of the NWMO

NWMO represents that it has the capacity and authority to enter into this Arrangement and to perform its obligations and that it knows of no reason, fact or event, current, imminent or probable, that would materially compromise its ability to perform its obligations.

Reliance on Representations

NWMO acknowledges that the CNSC has relied on the representations set out above and that they are deemed to be continuing for the term of this Arrangement.

4. GENERAL CONDITIONS

4.1 - Services to be Provided

- (a) Pursuant to this Arrangement and when the CNSC is available, CNSC staff will provide regulatory guidance to the NWMO in relation to the APM implementation.
- (b) CNSC staff will attend NWMO engagement activities with the general public and Indigenous communities when available and as appropriate, and provide information on the regulator's role in licensing an APM facility.
- (c) Upon request and when available and as appropriate with a schedule to be agreed upon by the Parties, the CNSC staff will conduct a pre-project review for technical components of the APM project, such as siting, design development and safety assessment and provide a general assessment to identify any regulatory concerns. The public will be informed of pre-project technical reviews under Section 7 of this Arrangement through posting of outcomes of such reviews on the CNSC Web site.

4.2 - CNSC as a Regulator

NWMO acknowledges and understands that:

- (a) The CNSC is the nuclear safety regulatory body in relation to the granting of licences to allow certain nuclear operations on a specified site, and is providing regulatory information and requirements related to an APM facility in advance of any application for such a licence only as a means of establishing general regulatory prerequisites for such licences.

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- (b) The CNSC cannot guarantee that any application for such a licence will be successful, and the output of this Arrangement is in no way a guarantee or representation that an APM facility will be licensed in Canada.

4.3 - Undertakings of the CNSC

When available, the CNSC staff will endeavor to:

- (a) provide regulatory information, with respect to the regulatory process or requirements associated with forms of fuel that the NWMO may be asked to manage, and to key NWMO planning documents on the implementation of APM;
- (b) attend key APM engagement activities with the general public, Indigenous communities, and municipalities upon request from NWMO or communities and when considered appropriate by the CNSC;
- (c) make presentations on the role of the regulator in licensing an APM facility upon request by NWMO or communities and when the CNSC considers it appropriate to do so;
- (d) meet with the NWMO in preparation for future licensing actions and to clarify informational requirements;
- (e) provide comments on areas of NWMO publications that concern the CNSC regulatory processes and requirements that are applicable to APM;
- (f) respond to NWMO guidance needs;
- (g) upon request, conduct a review of APM technical components of siting, design development and safety assessment to identify any regulatory concerns with meeting regulatory requirements; and
- (h) attend meetings on NWMO plans and progress on technical components of siting, design development and safety assessment.

4.4 - Undertakings of the NWMO

The NWMO will endeavor to:

- (a) provide updates on its technical program to CNSC as described in Section 6.2;
- (b) provide copies of the technical annual reports issued by the NWMO;

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- (c) apprise CNSC staff of key APM activities and decisions;
- (d) request CNSC staff attendance at key engagement activities with the general public and Indigenous communities, including requesting CNSC staff to speak to the regulatory framework or requirements;
- (e) request regulatory guidance, as needed;
- (f) respond to CNSC requests for information on APM activities;
- (g) make itself available to update the CNSC publicly, as may be requested from time to time; and
- (h) in the Fall of each year, NWMO to propose possible meetings, reviews, and activities that the NWMO may request from CNSC for the next year, as described in Section 6.4.

4.5 - Termination or Suspension

This Arrangement is in effect until March 31, 2024. The NWMO or the CNSC may at any time provide thirty (30) day written notice to the other party of its intention to terminate this Arrangement or upon submission of a licence application.

5. EXCHANGE OF INFORMATION

The exchange of correspondence between NWMO and CNSC staff should be effectively coordinated, managed, retained and retrievable by both parties. The following principles will be applied:

- communication between NWMO and CNSC staff will be controlled using the single point of contact (SPOC) approach;
- the information exchanged are representations of the NWMO or the CNSC – not of the persons involved; and
- the person communicating the message will be responsible for the content and the quality of information incorporated into the message.

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6. MEETINGS

6.1 - Interface Meetings

The designated Single Points of Contacts (SPOC) for CNSC and NWMO will meet monthly to provide status of actions or highlight any potential major issues for all items covered by this Arrangement.

6.2 - Update Meetings on Topic Specific APM Activities

On an annual basis CNSC and NWMO will plan topical update meetings on NWMO activities as APM work progresses. The purpose of the updates is to familiarize CNSC staff only with advancements in the program. These updates are not considered part of CNSC pre-project reviews under Section 7. NWMO understands that discussions in these meetings do not indicate licensing acceptance or limit the discretion of the Commission.

Any follow-up related to CNSC pre-project reviews will be pursuant to a process established for that purpose under Section 7.

6.3 - Quarterly Progress Meetings

On a quarterly basis, Director Level meetings will be held between NWMO and CNSC staff to discuss overall progress on NWMO activities, review status of actions and any issues as required. Minimum attendance at these meetings will include:

- the Director, Wastes and Decommissioning Division (CNSC)
- the Director, Regulatory Affairs & Environmental Assessment (NWMO)

6.4 - Annual Planning Meetings

On an annual basis, Senior Management Level meetings will be held between NWMO and CNSC staff to review the NWMO Business Plan for the upcoming year along with a 4-year look ahead. This will cover CNSC pre-project reviews that NWMO intends to request for resources planning purposes. Minimum attendance at these meetings will include:

- the Director General, Directorate of Nuclear Cycle and Facilities Regulation (CNSC)
- the VP, Site Selection (NWMO)

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7. PRE-PROJECT REVIEW PROCESS

NWMO will provide CNSC staff with 60 days' notice of their plans to submit a request for CNSC pre-project reviews of technical components of the APM project, such as siting, design development and safety assessment.

NWMO will describe its proposed submission or provide a copy of the document(s) to CNSC staff (if available) to establish the scope of a CNSC pre-project review. The following activities will occur for each request:

- CNSC staff will identify pre-requisites (if any) ahead of initiating the review;
- CNSC staff will establish terms of review including such things as an assessment plan, description of the project deliverable, stakeholder communication protocol, a pre-project review schedule and the CNSC statement of review results related to the review; and
- CNSC staff will identify supporting materials that should be included in the submission package.

7.1 - Review Approach

Once NWMO submits the review package, the review process will begin. CNSC staff pre-project reviews will be broken into two parts: conformity review and detailed technical review.

7.1.1 – Part 1 - Conformity

Part 1 includes the conformity review and consists of a completeness check and a technical sufficiency check to ensure that the information submitted is sufficient to begin the review. This review will be performed at the beginning of the submission in accordance with the terms of review.

If it has been determined by the conformity review that sufficient information has been provided, CNSC staff will proceed with Part 2 of the review. If it has been determined that additional information is required, CNSC staff will either suspend Part 2 of the review until the information is provided or at the discretion of CNSC staff progress the review as far as possible in the absence of the identified materials.

7.1.2 – Part 2 - Detailed Technical

Part 2 includes the detailed technical review and will be conducted in accordance with the established terms of review.

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All details regarding the communication of results from a CNSC review to NWMO will be in accordance with the established terms of review.

7.2 - Pre-Project Review Meetings

It is recognized that both NWMO and CNSC staff may require regulatory clarifications/discussions. Either participant may initiate the clarifications/discussions provided that the following ground rules are followed:

- the intent of these meetings is to respond to questions for clarification around topics related to the pre-project review. NWMO understands that discussions in these meetings do not indicate licensing acceptance or limit the discretion of the Commission.

Minimum attendance at these meetings will include:

- the Project Manager (CNSC)
- the Senior Advisor, Regulatory Affairs (NWMO)

7.3 - Review Time Extension

The scheduled pre-project review time may be extended if additional information has been requested by CNSC staff to NWMO, and CNSC staff have determined that:

- the information submitted is missing details which would prevent review of material in the subject technical area or other areas, or
- there is a fundamental technical disagreement between CNSC staff and NWMO on the information submitted.

CNSC staff will provide to NWMO in writing the duration and the reasons for extending the pre-project review time.

7.4 - Other Assessments

This Arrangement may be the basis for other assessments (e.g., desktop or site/field assessments, management system review, etc.) as agreed to by NWMO and CNSC staff.

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8. COSTS

- (a) NWMO shall pay to the CNSC all costs incurred by the CNSC in carrying out the services under this Arrangement as defined in PART 5 of the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations* and as further described in Appendix A – BASIS OF PAYMENT.
- (b) The CNSC shall invoice the NWMO for such services in accordance with Appendix A – BASIS OF PAYMENT.

9. REPRESENTATIVES

The respective representative from each party is responsible for all matters concerning the work under this Arrangement.

For the purposes of the Special Project Service Arrangement, the following may also serve as contacts:

The Director General, Directorate of Nuclear Cycle and Facilities Regulation (a position currently held by Haidy Tadros) for Senior Management Level matters.

Telephone Number 613-943-8948
 Fax Number: 613-995-5086

The Director, Wastes and Decommissioning Division (a position currently held by Karine Glenn) for matters related to the undertakings of the Arrangement.

Telephone Number: 613-996-4342
 Fax Number: 613-995-5086

The Senior Project Officer (a position currently held by Pam Doughty) is the Single Point of Contact for matters related to the Arrangement administration.

Telephone Number: 613-947-2012
 Fax Number: 613-995-5086

For the purposes of the Arrangement, the NWMO shall be represented by:

The VP, Site Selection (a position currently held by Mahrez Ben Belfadhel) for Senior Management Level matters.

Telephone Number: 647-259-3036
 Fax Number: 647-259-3705

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The Director, Regulatory Affairs & Environmental Assessment (a position currently held by Allan Webster) for matters related to the undertakings of this Arrangement.

Telephone Number: 647-259-5543
Fax Number: 647-259-3705

The Senior Advisor, Regulatory Affairs (a position currently held by Lisa Lang) is the Single Point of Contact for all matters related to the Arrangement administration.

Telephone Number: 647-259-4870
Fax Number: 647-259-3705

Either party hereto may, by written notice, change any of its appointees mentioned above.

10. EFFECTIVE DATE

The parties agree that this Arrangement, although signed by the parties on different dates, shall have effect on April 1, 2019.

This Arrangement has been executed on behalf of NWMO and on behalf of CNSC by their duly authorized representatives:

NUCLEAR WASTE MANAGEMENT ORGANIZATION

CANADIAN NUCLEAR SAFETY COMMISSION

Original signed by:

Original signed by:

Laurie Swami
President and CEO
NWMO

Rumina Velshi
President and CEO
CNSC

Date: *March 04, 2019*

Date: *March 04, 2019*

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Appendix A – BASIS OF PAYMENT

1. COST

- (a) For the services provided, the CNSC will invoice the NWMO fees calculated in accordance with PART 5 “Special Project Fees” of the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations*. More particularly, as stated in section 26, the fee payable is equal to the sum of:
- i. the product obtained by multiplying the hourly rate by the number of hours of Direct Regulatory Activities; and
 - ii. if the CNSC obtains professional and special services under contract, the cost of those services.
- (b) The hourly rate:
- i. for CNSC staff has been established at \$265.00 (Canadian Dollar) for the work performed during the CNSC Fiscal Year 2018-19; and
 - ii. will be revised on an annual basis, and communicated by notice to NWMO in writing before May 30th of each Year this arrangement is in effect.

2. INVOICING

Section 28 of the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations* stipulates that the CNSC shall send to the applicant on a monthly basis an invoice. This Arrangement is estimated to be in effect for a period of 5 years, the CNSC and the NWMO have agreed to the following:

- (a) The CNSC will invoice the NWMO on a monthly basis.
- (b) Each invoice shall include the following information:
- i. the date of the invoice and CNSC’s invoice number;
 - ii. invoice period;
 - iii. the amount equivalent to the hourly rate multiplied by the number of hours of work performed by CNSC staff on direct regulatory activities during the period covered under this Arrangement; and

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- iv. the expenses incurred by the CNSC and billed separately for professional and special services under contract with any applicable Goods and Services Tax (GST) and Harmonized Sales Tax (HST) charges, as applicable.

3. REPORTING

The CNSC may provide a progress report to the NWMO related to the work performed under this Arrangement upon request by the NWMO. The progress report would include the following information:

- (a) the date of the progress report;
- (b) the period covered by the progress report;
- (c) the estimated cost covered by the progress report, based on:
 - i. the number of hours (from the timesheet system) devoted by CNSC staff on Direct Regulatory Activities in relation with the work performed under this Arrangement;
 - ii. the hourly rate for the applicable period; and
 - iii. expenses incurred by the CNSC and billed separately for professional and special services under contract with any applicable Goods and Services Tax (GST) and Harmonized Sales Tax (HST) charges, as applicable;
- (d) the total amount billed for the period covered by the progress report; and
- (e) the difference between what was paid by the NWMO and the current estimated fee payable for the work performed under this Arrangement for the applicable period.

4. METHOD OF PAYMENT

- (a) Payment by the NWMO shall be made within thirty (30) days following the date on which an invoice is received according to the terms of the Arrangement.
- (b) NWMO shall remit fee payment by cheque payable to the Receiver General of Canada, credit card, or electronically.