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Chalk River celebrates 63-month site licence renewal

It was good news for employees at Chalk River on July 28th, when the Canadian Nuclear Safety Commission (CNSC) issued its Record of Decision declaring that Atomic Energy of Canada Limited's site operating licence renewal application had been approved for a period of 63 months. The new licence went into effect on August 1, 2006 and expires on October 31, 2011.

A two-day public hearing was held at the CNSC's Ottawa office on April 26, 2006 and June 28, 2006. During this time, AECL presented its case for renewal, CNSC staff made their recommendations based on AECL's operational performance to the Commission, and 37 community stakeholders made written submissions and/or oral presentations.

"We would like to thank the community leaders and stakeholders who participated in the hearing for their continued support," said Brian McGee, Vice-President of Nuclear Laboratories. "AECL takes its responsibilities under the new licence seriously. We are committed to safe operation and we will continue to engage in dialogue with the public and interest groups throughout the licence period." (continued on page 3)

And the winner is...

Congratulations to Jeremy Whitlock, who submitted the prize-winning entry a contest to name the Nuclear Laboratories new community newsletter.

Brian McGee, Vice-President of Nuclear Operations was on hand to present the prize, a gift certificate for Kelsey's restaurant. Jeremy's entry of "Contact" was selected from over 50 employee submissions.

A publication of AECL Site & Community Affairs, *Contact* will be mailed to residents of Renfrew and Pontiac Counties on a quarterly basis. This document is printed on 98% recycled post-consumer paper, using 100% biodegradable vegetable-based ink. Please recycle!





It's astonishing when I realize that as you read this column, it will have been 10 months since my wife Beckie and I moved to your community and I joined the AECL team at Chalk River. During this period, I've enjoyed meeting many of the great people at the Chalk

River Laboratories as well as many of you and our community leaders at both organized events and informal gatherings. Beckie and I are settling nicely into our Deep River home so let me first say thanks for sincerely welcoming us to the Valley.

I'm also very excited to contribute to the launch of our new community newsletter.

All of us at the Chalk River site are working very hard to manage the many business changes now underway. Our vision is to achieve world class performance in developing and operating nuclear technologies—no compromise! We'll share more about our strategic direction in upcoming issues, but I hope you'll agree the vision itself sends a clear signal that our focus is on continuously improving performance.

Within our industry there is a constant drive to improve performance. If an organization is not continually improving, it's going backwards relative to the rest of the industry. At Chalk River, we not only want to keep pace with the rest of the nuclear industry, we're targeting areas that we will lead. Each day that I come to work, my enthusiasm for our improvement plan grows. Our people, their talent and their capability inspire me.

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All have a desire for success, a commitment to our organization, and a sense of purpose that cannot be equalled. As we continue to expand and accelerate our improvement activities, all these team traits give me good reason to be very optimistic.

Am I seeing change? Most definitely. We succeeded in achieving approval from the Canadian Nuclear Safety Commission (CNSC) to extend NRU operation beyond December 31, 2005 and to make NRU part of our site operating licence. We're now successfully operating the MAPLE 1 Reactor at low power to support commissioning and testing activities.

Thanks to newly established management oversight mechanisms, we are now—more than ever—able to ensure safe operations and are better equipped to manage our business performance.

Staff are stepping up too—we've seen a visible increase in reporting lower level problems so they don't become bigger issues. Corrective actions are becoming more effective. The CNSC has recognized that we achieved significant improvements to our fire safety program. We've secured funding for our legacy liabilities. Finally, the CNSC endorsed our application for a 63-month site operating licence.

We're excited by all these accomplishments, but they are only a part of our journey to achieve our vision. I look forward to sharing our progress with you in future newsletters.

*B.E. (Brian) McGee
Vice-President
Nuclear Laboratories*

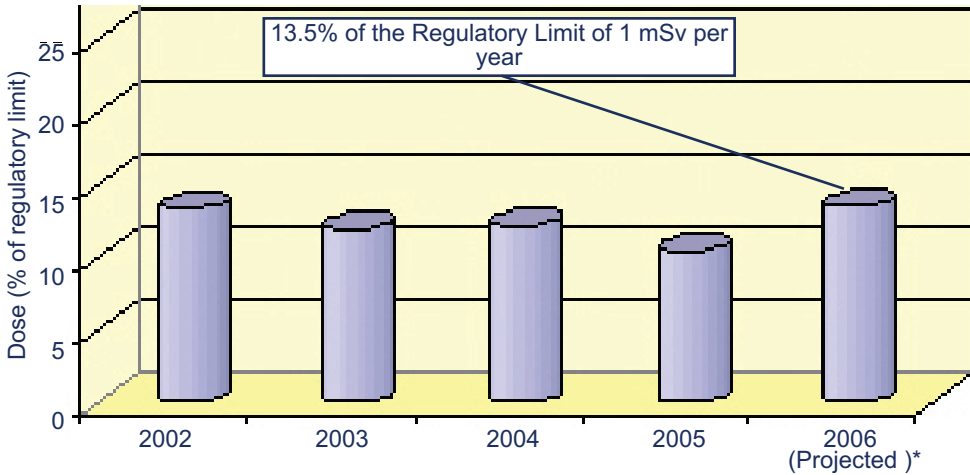


Environmental Report

As a certified ISO 14001:2004 Environmental Management Systems organization, AECL is committed to studying and reducing the low impact of our operations on the environment.

The estimated annual dose to those living within a 8-kilometre radius of CRL is equivalent to roughly 1/4 of the amount of radiation that you would receive during a medical x-ray (0.4 millisieverts or mSv), and is well-below the regulatory limit for the public set by the Canadian Nuclear Safety Commission (1 mSv/year). *Actual figures for 2006 will be made available when all environmental data is collected and complete at the end of this year.

Dose from Radiological Air and Liquid Emissions



(Site licence renewal continued...)

The Chalk River Laboratories operating licence lists 14 separate nuclear facilities, including the multipurpose National Research Universal (NRU) reactor. This reactor is the world's largest producer of radioisotopes used in medical imaging and cancer therapy, and Canada's premier research facility for nuclear power and materials.



The new licence contains a number of conditions that will require diligent management and tracking by AECL. These involve environmental protection, waste management and decommissioning, fire protection, quality assurance and safe operation of the NRU reactor.



PROJECTS & Accomplishments

It's been a while since we last spoke through a community newsletter, but we're back and excited about all of the opportunities that presents.

We're at your service!

In Brian McGee's introductory column, he mentioned the importance of continuously improving. This approach includes finding ways to enhance our communications. When we discussed the basis for this newsletter, the decision on what we wanted it to do was simple. Our focus is on you—letting you know exactly what does go on up at the site, answering your questions, and introducing you to our employees, your neighbors. We might possibly be relatives, someone who shares your backyard fence, the guy who covers your back at pick-up hockey, the woman who teaches piano class in her spare time or someone you talk to at your daughter's soccer practice. We're proud of the work we do and we're proud of the

community spirit we bring to the Valley through volunteering and jumping in where help is needed.

We want to hear from you, and our only request is "Don't be shy!" Ask those questions; there's a good chance someone else is thinking of them too. And, accessibility is what we're about. Feel free to e-mail, call, write us a letter, check out our website, or stop us when the community van is out and about. Our objective is to make you feel as much a part of us, as we feel a part of the great communities in which we live.

So, thanks for taking the time to give us a second glance. Now let's hear what's on your mind...

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Welcome, Environmental Science students



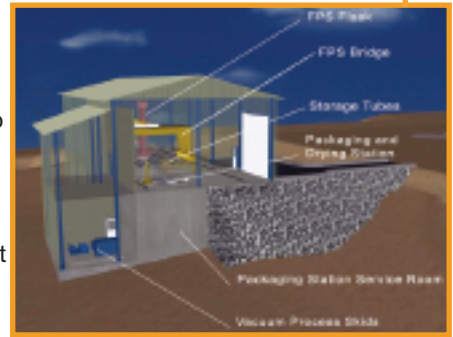
For the past 15 years or so, AECL has hosted an annual university field study with the most recent of those taking place in August with professors and Environmental Science students from the Universities of Ottawa and Toronto. This long-standing partnership provides students with the opportunity to hear more about AECL, what work is done at Chalk River and to then carry out field studies at a number of locations on the Chalk River property.

Rob Renaud, Contaminant Hydrogeologist in Chalk River's Environmental Technologies Branch was a teaching assistant for this field course when he was doing his Masters at the University of Ottawa. "It's exciting to see how this program has been sustained over the years. The students map the water table in a region instrumented with numerous groundwater monitors, called piezometers. A similar field camp to this one, during my undergraduate studies, was my first real experience with the field of hydrogeology and that experience cemented my career path decision. Now, I'm coordinating the visit and hoping that it will influence some of these students to follow a similar path when they graduate."



Moving ahead with the FPS project

In 2004, Atomic Energy of Canada Limited launched a public information initiative around a project known as FPS - or Fuel Packaging and Storage - to keep residents of the surrounding area abreast of the project and what we aimed to accomplish. We thank all those who expressed an interest, either in person at the open houses, or through their correspondence; it is our intention to continue this open dialogue, and ensure that our waste management operations at the Chalk River Laboratories are transparent.



As many of you know, AECL has operated research reactors at the Chalk River site for more than 50 years. During the 1950s and 60s, a variety of different wastes were produced by irradiating metallic uranium and other prototype fuels as part of the fuel development process. Rest assured, the now-spent fuels are safely stored, but monitoring and inspection of the older fuel types has shown that some of the storage containers, including the fuel itself, have begun to corrode.

These legacy fuels are stored in tile-holes: underground, vertical cylinders made of steel and concrete. These prototype fuels - about 22 tonnes of material - are primarily metallic uranium and uranium dioxide, and as such are more prone to corrosion than the modern alloy-clad uranium oxide fuels in use today. Although these fuels are safely stored, the continued corrosion comes from the presence of moisture within the storage cylinders.

But if the fuel is being safely stored, why undertake the Fuel Packaging and Storage (FPS) project? Corrosion of these fuels can lead to two problems: One, the fuels lose their structural integrity and become difficult to recover in the future. And secondly, if the corrosion of the tile hole liners and caps continues, they could eventually allow contamination to be released into the environment. With the utmost concern for the safe operation of the Chalk River site, AECL launched the FPS project as a pro-active measure to safely remedy this issue before any problems occur.

In this project, AECL will remove the old containers of waste from their position in the tile holes, and safely transfer the fuel to a new stand-alone facility. Once in the new facility, the material will go undergo a vacuum-drying process and be repacked for long-term storage in a more modern concrete storage vault. The new system will make it easier to store and monitor the spent fuels well into the future. We are happy to report that progress is being made, and the project is moving ahead as planned.

The FPS Project has now entered the procurement stage for retrieval and transfer, and repackaging and drying equipment, with Requests for Proposals being issued to several companies. Confirmatory drying tests are complete, testing of the new storage container design is currently underway, and testing of the fuel lifting grapples will be starting soon. The Office of the Chief Engineer will review a detailed design of the monitored dry storage system this fall, with operational turnover of the facility expected by the end of 2010.



CRL staff show support for Canadian soldiers

Staff at the Chalk River site are wearing red each Friday as a way to show their support for those soldiers in combat.

With our close proximity to Canadian Forces Base Petawawa, it's only natural that people at the Chalk River Labs feel a strong connection to our military members. They are our neighbours, family, and friends.

"We all know someone who is serving in the military or know someone with close relations to our armed forces," says Patrick O'Hara, CRL records assistant and supporter of Red Fridays. "Some of us wear red every Friday to show our support. We have also made up some red ribbons to help support the cause and have distributed them within our building."

"If we all do this together," says Mary Lou Hawkins, CRL business administrator whose spouse is deployed to southern Afghanistan, "maybe we can convey to our troops overseas that we see the sacrifices they make, that we appreciate their efforts, and are here wishing them a safe return."



Justin Boxall, of CRL's Site Landlord department, successfully organized and executed the second annual Jason Doucet Memorial Slo-pitch Tournament, to raise money for the Renfrew County Cancer Society.

"We had a great turnout this year," said Justin. "We raised a lot of money and everyone had a great time. Jason would be proud."

Terry Schaubel, a mechanical engineering tech on CRL's seal development project, pedaled his way to the top of the podium at the Free Ride Ridge competition in Pembroke this September.

Although most prefer to keep their wheels a little closer to the ground, many CRL staff do keep fit by biking (or skiing) to work.



Photo © Andrew Pierias/FreeFormMedia.ca



UNITED WAY 2006

Employees will continue to dig deep in support of AECL's United Way campaign, that will run from October 16 to 27. This year's goal remains at \$80,000. Last year's campaign surpassed this goal, raising \$83,041 for our local communities. Photos and results for the 2006 campaign will follow in the next issue.

