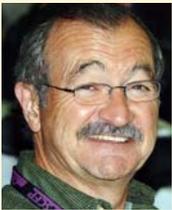


Message from the President



Let's get on with it!

Ontario decision expected soon

Spring has sprung, the grass has 'ris,
I wonder where the energy plan is?

Okay, so it's a bad poem. But it's a good
question. Expectations are high for a

decision soon from the Ontario Government on the province's energy future. April is decision time (so we're told), paving the way we hope for nuclear renewal in Canada's industrial heartland.

A decision can't come too soon. Already, industry is starting to flee the province, spurred by an uncertain electrical supply and unpredictable power costs. Paper mills are shutting down, the auto industry is getting nervous.

Maybe the government thinks it can wait until after the 2007 election before making a decision on new-build nuclear. Bad idea, Mr. McGuinty. This would mean a minimum two-year delay in starting the regulatory process for major base-line generation capacity. The province can't wait that long – uncertainty of power supply will stall the economy big time, and may even dampen the government's re-election prospects.

And renewables won't save the day. The CNWC is strongly supportive of renewable energy, I've said this before. But, as the Ontario Power Authority said in December, the theoretical potential of renewables is seriously hampered by practicalities – technical and financial feasibility, social and environmental concerns. To put it bluntly, lots of communities don't want a wind farm on their horizon. In any case, there's very little wind on the hottest and coldest days of the year, so it can't meet base-load demand. With gas prices skyrocketing new gas-fired plants aren't the answer either – not to mention their high greenhouse gas emissions.

Clearly there's no time to waste in getting on with new-build nuclear. Action is needed on the federal level too. The Canadian Nuclear Safety Commission recently outlined its new regulatory review process for new-build projects. But it badly needs new resources to bolster its staff in order to meet a sharply increased workload. I hope Gary Lunn, our new Natural Resources Minister, is listening.

Ontario is on the cusp. Let's not blow it. Decision time is here – let's get on with it!

David Fluei

Ontario's energy future at stake

The Ontario Power Authority's December recommendations for renewal of Ontario's nuclear power infrastructure were very encouraging. Here's what it said:

“The theoretical potential for renewable energy is typically large, but gets narrowed down by technical feasibility, then further by financial feasibility, and still further by social and environmental considerations.”

Ontario Power Authority

Ontario will require significant additions of nuclear power generation. By 2025 [this generation] should amount to between 12,900 MW and 15,900 MW... Ontario will therefore need between 9,400 to 12,400 MW of nuclear to be

added by 2025. This should be achieved at least through the refurbishments of currently operating units, where it is economic, or replacement where it is not economic. Additional new capacity, beyond replacement, will also be required in certain scenarios.



Dear Minister...

The following is an excerpt from a CNWC letter to Ontario Energy Minister, Donna Cansfield, in January:

Canadian CANDU technology is the only technology that should be considered for new builds in Ontario... AECL's CANDU 6 is a top world reactor, operating in Canada and around the world with an unmatched safety, reliability and power production track record... Investing in CANDU technology will help keep jobs and economic benefits in Ontario... We strongly urge the Ontario Government to choose CANDU for its new nuclear build program.

Lepreau prepares for refurb

Union media campaign made the difference

It was a long journey of uncertainty. But members of IBEW local 37 are excited and energized now that the decision's been made to refurbish New Brunswick's only nuclear generating station at Point Lepreau.

That happy news came last summer, partly the outcome of a focused media and public relations campaign. "There's no question in my mind it had an impact," said Ross Galbraith, the Local's Assistant Business Manager, who acted as media spokesperson in the months prior to the decision. "We had a systematic approach and followed our plan. We made sure people knew the impact Lepreau has – on keeping electricity rates low and the number of people employed down there. We also worked with the stakeholders and built support in the community. We made it easy for [the government] to make the right decision."

During that period Galbraith was available to the media "day and night." Members also did a great job of writing letters to the editor and agreeing to be interviewed. As the human interest side of the story grew, the media wanted to talk to the people affected. "We had a lot of folks step up to the plate and tell their stories, he said. "That put a real face to it. It wasn't just a plant out there but real people. I really think that made the difference."

Several months later, union members are starting to ready the 640 MW plant for an 18-month shut-down in 2008-'09. It's the first-ever refurb of a CANDU-6, expected to extend the reactor's life

another 25-30 years at a cost of \$1.4 billion. "We want to complete this refurb on time and on budget," said Galbraith. "That's the most important thing. We've been given an opportunity and we want to do a world class job."



Ross Galbraith, IBEW

A joint labour-management team is also looking at ways to enhance the plant's overall performance. For many years Point Lepreau was the number one lifetime capacity nuclear power plant in the world. "We're really serious about getting back to that," said Galbraith.

2nd Unit for Lepreau?

No sooner was Point Lepreau's refurb approved, than public figures and others started musing about a 2nd unit at the New Brunswick site. A senior representative of Maritime Electric, PEI's provincial utility, said at a regional energy conference last fall that a 2nd unit might make sense, given the growing demand for power on the northeastern seaboard. Even more compelling were statements by Shawn Graham, New Brunswick's Liberal opposition leader. He wants to boost electricity exports, and suggested the province should be assessing infrastructure requirements to support a 2nd unit. "All of a sudden there's quite a buzz about building a 2nd unit," said Ross Galbraith, IBEW spokesperson at the plant. "It's an interesting development."

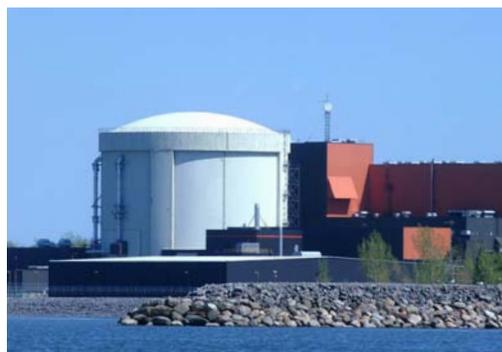
Don't hold your breath

Gentilly decision inches forward

Patience is the watchword.

By all accounts, Gentilly's 700 workers are still in 'wait and see' mode regarding any final decision on refurbishment of Quebec's sole nuclear station, near Trois Rivières. The only recent progress was a recommendation to expand the plant's radioactive storage capacity to take the reactor to the end of its expected lifespan between 2010-2013. But that was almost a year ago, and it still hasn't been endorsed by the Quebec government. Public hearings by the Canadian Nuclear Safety Commission, originally planned for last fall, are still pending.

Despite the slow progress, plant workers are taking heart from their colleagues' success at Point Lepreau. There, IBEW Local 37 waged



an effective public awareness campaign last year in the lead up to New Brunswick's green-light decision on the refurb. The Gentilly group is

plotting a similar strategy but will wait until the time is right. "We want people to realize what a technological hub Gentilly is," said Stéphane Bousquet, a CNWC VP who works at Gentilly. "If it's shut down, 700 high quality jobs will just vanish to New Brunswick or Ontario."

Nuclear Waste Plan

Safe, secure, fair approach

Following three years of study, Canada's Nuclear Waste Management Organization (NWMO) released its recommendations on long-term storage of spent fuel last November.

The agency's preferred option includes deep underground storage plus a long-term management approach to be phased in over 120 years. Specific recommendations include:

- centralized containment and isolation of used fuel in a deep geological repository;
- shallow underground storage of used fuel at the central site (optional interim step);
- continuous monitoring;
- potential for retrievability for an extended period; and
- an informed, willing host community.

NWMO was created under the *Nuclear Fuel Waste Act 2002* by owners of used nuclear fuel. "Our generation must assume responsibility now for the long-term management of nuclear waste," said the agency.



Hon. Gary Lunn,
Minister of Natural
Resources

Canada's nuclear future

Federal minister speaks up

With Stephen Harper's Conservatives installed in Ottawa (however tenuously), the nuclear sector is all ears, wondering what the new government's position will be on nuclear energy. For the record, the following is a statement provided by Natural Resources Minister Gary Lunn:

The Conservative government recognizes the importance of nuclear energy in Canada's past, present and future. It is a safe, reliable and efficient way of producing energy and has a significant role to play in a long-term energy framework. As the owner of Atomic Energy of Canada Limited (AECL), the federal government plays an important role in the development of the nuclear industry in Canada and throughout the world. We believe nuclear energy will be an important part of the energy supply mix across Canada in the years ahead.

The Ontario government is in the process of determining its energy needs for the future with nuclear likely to play a major role. Ontario will be making significant capital investments in the years to come to ensure future energy needs are met. AECL is one possible bidder based on the CANDU 6 and Advanced Candu Reactor (ACR-1000). Canada is one of the largest producers of uranium in the world with most of the uranium mining done in Saskatchewan. Canada can, and will be a major player on the world energy scene. Canadians will decide how we move forward in the future.

New Minister worked in mines, construction trades

Canada's new Natural Resources Minister, Hon. Gary Lunn, is responsible, among other things, for Atomic Energy of Canada Ltd. (AECL) and national energy strategy. He was first elected in 1997 as a member of the Reform Party (later the Canadian Alliance) and represents Saanich-Gulf Islands in B.C. Mr. Lunn is a lawyer who has served as revenue and international trade critics, and vice-chair of the Standing Committee for Fisheries and Oceans. He is a certified journeyman carpenter who has worked as a construction superintendent in mines throughout British Columbia and the Northwest Territories.

CLC responds

Task Force looks at nuclear policy



Canadian Labour Congress
Congrès du travail du Canada

Last spring CNWC member unions urged the Canadian Labour Congress to rethink its anti-nuclear stance, as stated in its 1992 energy policy. "Unfortunately, the CLC can't get past the knee-jerk rhetoric and tired dogma of its political and ideological mentors," said David Shier, CNWC President. "Anti-nuke, anti-coal, pro-green' is their mantra. Never mind this is worn out thinking...never mind that more and more 'greens' are coming to the nuclear side, recognizing that nuclear power is the green solution."

Seems the CLC was listening. It has convened a task force on power generation to develop a comprehensive policy on the role of coal-generated and nuclear power in Canada's energy future. Unions, whether or not they have members in power generation industries, were invited to name two reps to the Task Force, expected to complete its work by the end of the year. Several CNWC unions have named members to the task force.

Voices against coal-fired closures reach fever pitch

Listen up, Mr. McGuinty. There's a chorus of voices out there belting out the same tune. It's time to back off your well-intended but wrong-headed plan to phase out Ontario's coal-fired power plants by 2009.

This vocal throng is heard from all directions: environmentalists, unions, academics, policy wonks, business leaders, and notably, editorial writers across the province. There are many arguments but they boil down to this: Some of Ontario's coal-fired plants are among the cleanest (lowest emissions) in North America. So it makes no sense to import power from U.S. plants that are among the dirtiest. Also, Ontario needs to buy time to ramp up its base-load infrastructure, including increased nuclear capacity. Converting some coal-fired facilities to clean coal makes sense and could increase security of supply during infrastructure renewal. Some comments:

- Just 26 per cent of Ontarions strongly support closure of the coal-fired plants, an opinion poll found in January. "We're not dealing with a majority decision." *SES Research-Osprey Media*
- Closing the coal stations while this province still depends on them, because of a now-dated campaign promise, would be...unwise. *Hamilton Spectator, Feb. 6, 2006*
- Ironically, the best potential for a large-scale reduction in emissions from fossil fuel plants comes in better – not less – use of coal. *National Post, Feb. 9, 2006*
- At this moment, nuclear may well be the best option to provide the kind of volume that Ontario needs...Premier Dalton McGuinty deserves credit for tackling a politically thorny issue that previous provincial administrations found too hot to handle. *Ottawa Citizen, Jan. 31, 2006*
- Prudence requires that provisions be made to ensure the availability of the Lampton units beyond the announced shutdown date. *Independent Electricity System Operator, Feb. 2006*

Regulatory delays predicted

CNSC faces HR shortage

The Canadian Nuclear Safety Commission is gearing up for an increased workload. But the regulator is worried about its ability to respond in a timely manner, said CEO Linda Keen in February.

“The Canadian nuclear industry is on the cusp of substantial growth in all areas,” said Keen. But CNSC will need new resources – both human and financial – in order to fulfill its regulatory mandate. “I cannot overestimate that this shortage of qualified staff will affect our ability to respond, she said.”

Keen outlined CNSC’s priorities as follows: first, the safety of existing reactors; second, refurbishment of the existing fleet of CANDU power plants; and third, licensing of new reactors. The occasion was the release of the Commission’s new information document on the licensing process for new nuclear power plants in Canada.

CNSC is working with industry to address its staff shortage, and is seeking additional funding from Ottawa.

Business is booming

Uranium output, profits soar

By all accounts 2005 was a banner year for uranium mining in Canada.

Cameco Corp’s fourth quarter profits jumped to \$74 million from \$37 million for the same period the year before. And the company approved a two-for-one stock split in January. Overall, revenue from Cameco’s uranium business rose 57 per cent to \$318 million in 2005.

“Comeco had a very successful year and now is well positioned to benefit from the re-surg-ing interest in nuclear energy, said Cameco CEO Jerry Grandey. This year the company projects first quarter revenues to be about 80 per cent higher than for that period in 2005.



The ongoing success is partly due to increased output from existing mines. Comeco is hoping the Canadian Nuclear Safety Commission will give final approval this year to expand output from McArthur River, the world’s richest uranium mine. The company wants to increase production from 18 million pounds to 22 million annually. The much older Rabbit Lake mine also continues to be a significant contributor, last year six million pounds worth. Exploration keeps extending the mine’s life. “Each year we keep finding another six million pounds,” said Grandey.

Meanwhile at Cigar Lake, site of the world’s largest undeveloped high-grade uranium deposit, the second shaft is almost complete, and the underground workings well underway. The mine should start producing in the second half of 2007 with a ramp up period of three years to reach its 18 million pound approved annual production.

Good news deals for isotopes, cobalt

After months of negotiations, MDS Nordion and Atomic Energy of Canada Ltd. have struck a 40-year isotope supply deal.

Under the agreement signed in February, AECL takes ownership of the MAPLE 1 and 2 reactors and associated new processing facility at Chalk River, Ontario. Collectively these facilities are called the Dedicated Isotope Facilities (DIF) and will be dedicated to the production of isotopes for MDS Nordion.



MAPLE 1 and the new processing facility are expected to be in service by October 2008, and MAPLE 2 a year later. In the meantime AECL continues to supply radioisotopes to MDS Nordion from existing facilities.

AECL produces about 60 per cent of the world’s supply of medical isotopes, which translates into about nine million treatments each year.

MDS Nordion also extended an agreement with Bruce Power in February for a reliable supply of cobalt until 2019. This partnership produces over 40 per cent of the world’s supply of cobalt used primarily for the gamma sterilization of medical devices and consumer products such as syringes, sutures and cosmetic products.

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The member unions are:

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