

Public Consultation on Uranium Industry Issues in Québec

ECONOMY AND GOVERNANCE

The inquiry commission of the Bureau d'audiences publiques sur l'environnement (BAPE) tasked with investigating and holding public hearings on the uranium sector concluded that if the Government were to authorize the development of the uranium industry in Québec, it should also introduce a long-term risk coverage mechanism. This type of mechanism does not currently exist at either the provincial or the federal level, and is needed to protect present and future generations against unanticipated costs associated with uranium waste storage.

Current federal and provincial legislation and rules require mining companies to deposit sufficient funds as a guarantee to cover the cost of restoring their uranium mining sites. The terms and conditions of the guarantee differ according to the legislation concerned. In addition, uranium mine promoters must pay part of the cost of post-restoration environmental monitoring of their sites over a period of several decades, to ensure that the restored sites may eventually be handed back, in safe condition, to the provinces that own the resource and subsoil.

However, very long-term management of uranium tailings involves an additional, specific problem, namely that the material will remain radioactive for several thousand years. The Canadian Nuclear Safety Commission (CNSC) and mining companies now prefer containment system composed of tailings management facilities (TMFs) located in mined-out open pits that is supposed to reduce long-term surveillance needs.

However, this particular method has been in use for only 30 years and the commission questions its reliability, given that feedback will be required over several decades before its long-term efficiency and reliability can be assessed. Older technologies, now considered outdated, were thought to be long-term solutions when they were introduced barely 50 years ago. By extension, the inquiry commission believes that, even if the efficiency of the containment method is confirmed over a period of years, this would not necessarily guarantee its stability in the longer term. In the commission's view, it is therefore vital for Québec to have a mechanism providing financial coverage for the long-term risks: one that, as far as possible, is harmonized with the practices of the actors concerned.

In spite of measures such as these, designed to protect the Québec State and future generations from major environmental risks arising from the presence of uranium mines, the inquiry commission believes the Government would necessarily have to shoulder part of the risk, since industry funding would obviously be limited by the small number of promoters.

The commission also feels that, however prudent and well-planned the Government's approach may be, it is impossible for a fund of this nature to cover every possible environmental risk associated with uranium mining, and that society should be aware not only of this fact, but also of the fact that it may eventually have to absorb the cost.

Low uranium potential

The commission also notes that the uranium resources identified so far in Québec, based on international standards, amount to 8,800 tons, or the equivalent of less than 0.12% of the known world resource in 2013. In comparison, the Canadian reserves identified during the same year, mainly in Saskatchewan, place Canada within the ranks of the world's most uranium-rich countries.

The inquiry commission also notes that mining activities play a role in the economies of Québec and some of its regions. In 2011 alone, the sector's total direct and indirect economic contribution was \$7.1 billion, or roughly 2% of Québec's GDP. The inquiry commission notes in addition, based on the current accounting framework (direct and indirect revenues minus Government expenditures), that while the net spin-offs from the mining sector are positive, externalities have not been taken into account. As the Auditor General of Québec concluded for the mining sector in general, the commission concludes that it is impossible to calculate the uranium sector's true contribution to Québec's economy without a full cost-benefit analysis. This exercise should be carried out before uranium sector development is authorized.

Federal-provincial supervision

Based on the experience acquired by the CNSC and Saskatchewan in recent decades, a federal-provincial agreement was signed in 2000, aimed mainly at protecting public health, safety and the environment. The agreement stipulates that the two levels of government will harmonize their uranium project assessment and control rules, financial requirements and public consultation methods, and also allows for the possibility of delegating federal controls to the provincial government. The inquiry commission feels that it would be appropriate for Québec to implement its own legislative, regulatory and administrative framework for the uranium sector, with a view to signing a federal-provincial agreement in the future.

Accordingly, the inquiry report states that Québec should not authorize any uranium mining project until it is in a position to assess, structure and manage such projects using appropriate, harmonized resources, standards and methods. Moreover, certain exploration activities should be subject to a certificate of authorization. In this perspective, all environmental responsibilities and activities should be placed under the authority of the Government department responsible for the environment, to allow for an integrated monitoring and control process and better use of the available expertise. All this could be achieved through a new regulation specific to uranium mines. In addition, if the 2013 amendments to the *Mining Act* are enacted, the regional county municipalities will be able to designate certain areas as being mining-incompatible, based on standards to be established at a future date.