

County of Renfrew AECL Restructuring Update



Background

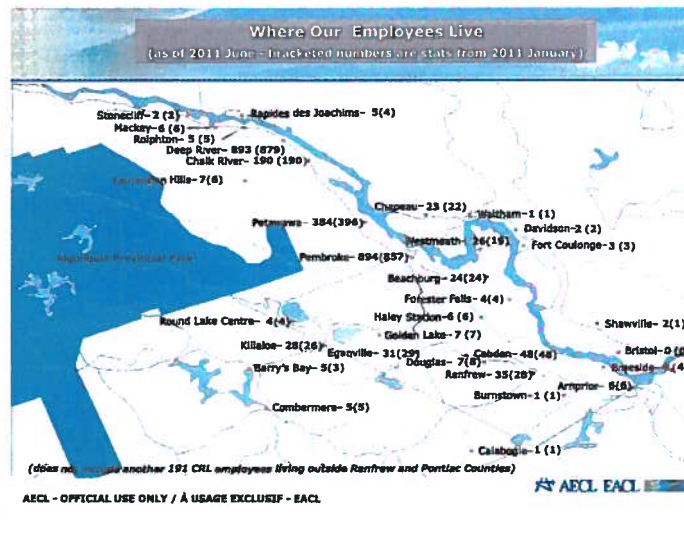


Economic Development Services

The Government of Canada is engaged in a project to re-structure Atomic Energy of Canada Limited (AECL) – Nuclear Laboratories including the research and development, science and technology, nuclear legacy management and storage and contract service functions presently the responsibility of AECL. This is the second phase of a process which saw the sale of the CANDU Power Reactor Division of AECL to a private operator and the creation of Candu Energy Inc. In 2011. Natural Resources Canada (NRCAN) is responsible for AECL- Nuclear Laboratories while Public Works and Government Services Canada (PWGSC) is conducting the re-structuring process.

GOCO

- Presently AECL is a Federal Crown Corporation
- Moving to a Government-owned, Contractor-operated : GOCO model.
- Very similar to models developed in the United Kingdom and the United States with their government nuclear installations.



A few Facts



- Chalk River Laboratories, the largest Science & Technology Laboratory in Canada, employ 2,900 of the 3500 employees of AECL.
- From these 2,900 jobs we can attribute 4,930 total jobs to AECL's presence, mainly in Renfrew County: direct, indirect and induced jobs.
- AECL is a \$600 million per year operation in terms of total revenues
- AECL payroll in the County is about \$240 million per year, plus there is a substantial community of AECL pensioners
- 260 supplier companies from across Ontario provide about \$40 million in goods and services to AECL annually
- Across Canada there are 170 nuclear technology, power production, manufacturing and engineering companies employing an additional 40,000 highly skilled people from coast to coast, actively engaged in the nuclear industry and with AECL Chalk River Laboratories

The Future Value of AECL Laboratories



The Chalk River Laboratories (CRL) of AECL enable Canadian companies to increase their market competitiveness through applying science, technology and innovation to their products and services to make them more valuable, innovative and competitive. Nuclear technology is not just applied in the nuclear energy sector in power plant reactors. It also plays a critical role in scientific research, diagnostic medicine, cancer treatment, materials research, space exploration and sterilization of health products for healthcare and personal use.



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The Future Value of AECL Laboratories continued...



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Another important role of Chalk River Laboratories is development of the next generation of scientists and engineers. CRL provides the training ground for students and recent graduates to gain valuable work experience in a large, diversified research, development and engineering company. Skills and knowledge acquired here will translate into commercial success for the Canadian companies for whom many of these people will eventually work.

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The Future Value of AECL Laboratories



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Chalk River Laboratories are the training ground for the future
Essential for Success in the knowledge and creative economy

- Scientists
- Nuclear and Power Plant Operators
- Technologists
- Emergency Services
- Business
- Students
- Apprentices
- Engineers
- Skilled Trades

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Environmental Monitoring

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The Future Value of AECL Laboratories



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Creation of New Entrepreneurial Companies in Canada

Over the past four decades technologies and workers from CRL have migrated scientific research and development from CRL and AECL to the private sector, creating numerous companies employing hundreds of Canadians. Two of the largest- both located in Eastern Ontario – are Bubble Technology Industries and MDS Nordion.

This is a Big Deal for all of Renfrew County

- The number of employees- 2,900
- The number of retirees living and paying taxes here- thousands.
- The annual payroll- \$240 Million
- The potential creation of new companies and new jobs!!! Our Future and our Children's Future.

Recognizing This.... The County of Renfrew....



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1. Investigated the history of engagement and initiatives of nuclear host communities in the United Kingdom and the US.
2. Organized a mission to several nuclear industry host communities in the United States.
3. Met with representatives of companies engaged in: nuclear operations and management; science and technology; environmental monitoring and remediation; manufacturing.
4. Focused on meetings with community leaders and learning about the municipal and community initiatives which were developed in response to contractors taking over management of various government owned nuclear facilities.



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Delegation Members Included:



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Peter Emon –	Warden and Mayor of Greater Madawaska
David Thompson –	Mayor of Deep River
George Hodgkinson –	Councillor of Laurentian Valley
Ed Jacyno –	Mayor of the City of Pembroke
Alastair Baird –	Manager, Economic Development Division
Paul Curtis –	Renfrew County Community Futures Development Corp.

Over four days the delegation conducted meetings with sixteen (16) community, industry, national laboratory, industry association and citizen groups in the states of North Carolina, South Carolina, Tennessee and Ohio.

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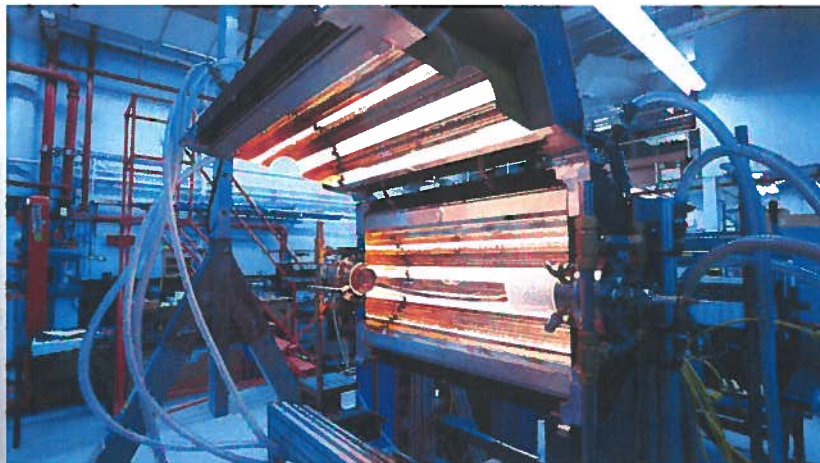
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1. From the mission we developed a list of twenty key best practices learned.
2. Submitted 9 Recommendations- based on the unique situation here in Renfrew County with AECL- Nuclear Laboratories and Chalk River Laboratories- to the Federal Government for inclusion in the Request for Proposal for the AECL Restructuring Contract.



***County of Renfrew Input to
Request for Proposal***



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1. Create a National Science and Technology Laboratory at the Chalk River Laboratories to; work in cooperation with the private sector and educational institutions; support the science and technology mission; and support Government requirements for nuclear science knowledge.

***County of Renfrew Input to
Request for Proposal***



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2. A commitment from the Government of Canada to co-invest in a new nuclear research reactor at Chalk River Laboratories to ensure Canada's leadership in sustainable nuclear power and to support the science and technology mission of the Government. Request to bidders to provide their vision for the future of National Research Universal (NRU) Reactor and a new research reactor.

County of Renfrew Input to Request for Proposal



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3. Creation of a Community Commitment Plan that could include the following strategic initiatives:
 - a) Financial incentives, based on a percentage of the Award to the Contract Operator of AECL, to be steered by a committee to selected initiatives.
 - b) A multi-purpose facility to house activities such as: business incubator; office and laboratory space for industry and educational institutions; education, training, retraining and skills development programs and; fabrication facilities.
 - c) Create a public outreach and education centre and complementary programs.



*County of Renfrew Input
to Request for Proposal*



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4. Deliver public education via: research and published papers and informed commentaries; opinion/editorial pieces; commentary across all media; response to challenges to science and technology missions across the country and in all sectors.

*County of Renfrew Input to
Request for Proposal*



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5. Request bidders to comment on how they would incentivize local procurement to ensure a significant percentage of AECL – Nuclear Laboratories contracting is sourced locally first. For the AECL CRL site this would be based on rings of influence on the site; County of Renfrew and Pontiac County; eastern Ontario; Ontario; Canada; North America.

*County of Renfrew Input to
Request for Proposal*



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6. Within the Government-owned, contractor - operated (GOCO) business model the Contractor must not be prevented from becoming engaged in the production of isotopes for any application where there is a supporting business case.



*County of Renfrew Input to
Request for Proposal*



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7. The Experimental Loops Fuel Evaluation program in NRU, presently shut down, must be identified as a top priority to be re-established by the contractor to support the nuclear power industry and the CANDU system in Canada and around the world.

(a testing loop within the reactor to correct and improve nuclear reactor fuel performance for the electrical power industry and for R&D)

*County of Renfrew Input to
Request for Proposal*



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8. The upgrade and/or expansion of the Hot Cells facility at CRL must be specifically addressed in the RFP as a priority to be addressed by the Contractor.

(Hot Cells are heavily shielded containment rooms where radioactive equipment and materials are examined with remote manipulators for power companies and R&D)



*County of Renfrew Input to
Request for Proposal*



9. Inclusion in Request for Proposal review panel of a knowledgeable County of Renfrew representative.

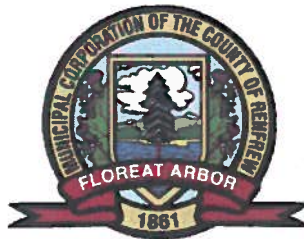
Qualified Bidders

- Innovation Canada Alliance
- Canadian National Energy Alliance
- Canadian Nuclear Revitalization Partners
- Northern Nuclear Laboratories Alliance

“This is presently the biggest nuclear industry business opportunity in the world- aside from the construction of new nuclear power plants.” -
Quote from one of the Qualified Bidders.

Thank you for your time!

Questions?



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