

Ken Nash

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August 23, 2007

The Honourable Gary Lunn, P.C., M.P. Minister
Natural Resources Canada
580 Booth Street
Ottawa, Ontario
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Dear Minister Lunn:

Thank you for your correspondence of July 9, 2007 regarding the Government of Canada's decision concerning the long-term management of Canada's used nuclear fuel. The NWMO is pleased to assume its implementation responsibilities flowing from this decision, and I wish to assure you that the organization will fulfill the expectations set out in your letter.

With the Government's selection of Adaptive Phased Management, the NWMO will now embark on a new phase as the organization responsible for implementing the approach. Our renewed mandate brings with it many responsibilities -- engagement of interested individuals, communities and organizations; social and technical research to ensure we bring the best and most advanced international understanding to our work; design and management of a funding formula; collaborative development of a site-selection process; and, eventual initiation of a siting process.

We are committed to developing a collaborative, community-driven site-selection process which is open, transparent and inclusive. We will be seeking an informed, willing host community, focusing our efforts in the nuclear provinces of Ontario, New Brunswick, Quebec and Saskatchewan. Your expectation that the NWMO will take at least two years to develop a collaboratively-driven site-selection process is reasonable and is consistent with our current planning assumption. Further to your request, we will submit to you our plan for a public process to determine a site, in advance of launching the process.

As you have underscored, it is essential that the NWMO take the necessary time so that the organization can move forward on a solid foundation of trust, integrity and respect for Canadians and the environment. The relationships we build with those potentially affected by our work will define the success of Adaptive Phased Management. It is for this reason that starting this month we intend to meet informally with interested individuals and organizations to brief them on our near-term activities, and to inquire as to how they may wish to be engaged in the future and to seek their input to our implementation plan.

We place great value in all interested individuals and organizations becoming involved in the collaborative development of this plan.

The NWMO will continue to submit its annual reports to you and the general public, consistent with our obligations under the *Nuclear Fuel Waste Act*. Consistent with the *Act*, we look forward to proposing a funding formula, for your approval, that will be used to calculate monies to be contributed by the major waste owners to finance Adaptive Phased Management.

The NWMO, having been entrusted with implementing an extremely important initiative on behalf of Canada, is committed to moving forward in a collaborative, open and transparent way as we plan for the safe, secure long-term stewardship of Canada's used nuclear fuel.

Sincerely,

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Ken Nash President

Copies: NWMO Board of Directors

Cassie Doyle, Deputy Minister, Natural Resources Canada