



NUCLEAR WASTE  
MANAGEMENT  
ORGANIZATION

SOCIÉTÉ DE GESTION  
DES DÉCHETS  
NUCLÉAIRES

ANNUAL REPORT 2005

# Dialogue

From Dialogue to Decision:  
MANAGING CANADA'S NUCLEAR FUEL WASTE

# to Decision

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The Honourable Gary Lunn, P.C., M.P.  
Minister, Natural Resources Canada  
Ottawa, Ontario  
K1A 0A6

March, 2006

Dear Minister,

We are pleased to submit to you the fourth annual report of the Nuclear Waste Management Organization (NWMO).

Fiscal year 2005 marks the third full year of operation for the NWMO.

We submit this report in compliance with sections 16 (1) and 23 (1) of the *Nuclear Fuel Waste Act*.

In fulfillment of our obligations under section 24 of the Act, we are also making this report available to the public.

Respectfully submitted,

Ken Nash  
Chairman

Elizabeth Dowdeswell  
President

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# From Dialogue to Decision:

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# From Dialogue to Decision:

MANAGING CANADA'S  
NUCLEAR FUEL WASTE

VISION, MISSION AND VALUES

## VISION:

What are NWMO's hopes for the future?

## MISSION:

What is the purpose of NWMO?

## VALUES:

What guides NWMO's work?

## VISION, MISSION AND VALUES

### VISION

Our vision is the long-term management of Canada's nuclear waste in a manner that safeguards people and respects the environment, now and in the future.

### MISSION

The purpose of the NWMO is to develop collaboratively with Canadians a management approach for the long-term care of Canada's used nuclear fuel that is socially acceptable, technically sound, environmentally responsible and economically feasible.

### VALUES

The fundamental beliefs that will guide us in our work include:

#### INTEGRITY

We will conduct ourselves with openness, honesty and respect for all persons and organizations with whom we deal.

#### EXCELLENCE

We will pursue the best knowledge, understanding and innovative thinking in our analysis, engagement processes and decision-making.

#### ENGAGEMENT

We will seek the participation of all communities of interest and be responsive to a diversity of views and perspectives. We will communicate and consult actively, promoting thoughtful reflection and facilitating a constructive dialogue.

#### ACCOUNTABILITY

We will be fully responsible for the wise, prudent and efficient management of resources and be accountable for all of our actions.

## CHAIRMAN'S MESSAGE

The Nuclear Waste Management Organization (NWMO) is pleased to submit its fourth *Annual Report* to the Minister of Natural Resources Canada.

2005 was a significant year for the NWMO. The organization concluded its study and in November, as required by the *Nuclear Fuel Waste Act (NFWA)*, submitted its recommendation to the Government. Completion of this first phase of the NWMO mandate represents a significant milestone in advancing decision-making on this challenging public policy issue.

The Board of Directors has endorsed the NWMO's recommendation. The Board believes that Adaptive Phased Management is a sound approach for managing used fuel produced by nuclear reactors in Canada. An important contribution of the NWMO study was examination of social and ethical considerations, in seeking social acceptability that in the past has precluded progress on this issue. The recommendation is technically sound, consistent with best international practice, and provides for a high level of safety over the long term. It is responsive to Canadians' expectation that action be taken now, all the while providing the flexibility society requires to incorporate new technology and to adapt to changing circumstances in the future.

The Board of Directors representing the waste owners – Ontario Power Generation, Hydro-Québec and NB Power Nuclear – made available \$24 million in funding for the three-year project to ensure an objective, fair and balanced assessment of the management options. This is in addition to previous industry investments of more than \$800 million over the course of Canada's nuclear program for research into long-term used fuel management. As Board members, we sought to ensure a process of integrity with careful consideration of our priorities of safety, environmental protection, social responsibility and financial viability in the NWMO study of management approaches.

# Chairman's



## CHAIRMAN'S MESSAGE

The waste owners also continue to fulfill their obligations under the *NFWA*, building the capacity to fund the long-term management of used nuclear fuel. Contributions to trust funds established in 2002 by the nuclear electricity generators and AECL now total \$880 million.

2006 is a transition year for the NWMO. As we await a government decision, the organization will prepare to implement the waste management approach chosen by government. Among other things, the Board intends to review NWMO governance structures, including its own composition and that of the Advisory Council. The Board has started this review, including investigation of similar organizations in other countries.

The road ahead will not be easy. But through its study the NWMO has cemented Canada's position as a world leader in the field of nuclear waste management. A timely government decision is the next important step forward.

**Ken Nash**  
Chairman

# MMessage

## NWMO MANDATE

### About the NWMO

In Canada, used nuclear fuel is safely managed by its owners in wet or dry storage facilities at reactor sites, meeting or exceeding regulatory requirements of the Canadian Nuclear Safety Commission. These current storage practices are intended to be interim provisions. Like several other countries, Canada is now carefully considering a long-term management approach for used nuclear fuel.

In November 2002, Parliament passed the *Nuclear Fuel Waste Act (NFWA)*. This legislation is a legal framework that will enable the federal government to make a decision on the long-term management of used nuclear fuel based on a “comprehensive, integrated and economically sound approach for Canada”.

The legislation requires major owners of nuclear fuel waste (Ontario Power Generation Inc., New Brunswick Power Corporation and Hydro-Québec) to establish the NWMO to:

- Consult and investigate approaches for managing Canada’s used nuclear fuel;
- Recommend an approach; and
- Report to the Government of Canada.

The Government of Canada will choose the management approach, which the NWMO will then implement.

The *NFWA* mandates the creation of an Advisory Council to provide independent comment on the NWMO study and reports.

### About Our Study

The NWMO was required to submit to the Minister of Natural Resources Canada a study which sets out:

- Proposed approaches for managing used nuclear fuel, accompanied by comments from the Advisory Council and the public; and
- A recommendation from the NWMO to the Minister as to which management approach the Government should adopt.

The purpose of the study is to assess the management approaches from a variety of perspectives – ethical, social and economic, as well as technical – and in the light of the economic regions in which they may be implemented. However, the NWMO is not directed to proceed with specific site selection.



## NWMO MANDATE

The NWMO is to consult the general public, and in particular Aboriginal peoples, on each proposed approach examined. While the NWMO was free to study any methods it wished to consider, at a minimum the *NFWA* obliged us to study approaches based on the following technical methods:

- Deep geological disposal in the Canadian Shield;
- Storage at nuclear reactor sites; and
- Centralized storage, either above or below ground.

The *NFWA* provided us with a three-year period in which to complete our study and undertake a process of public engagement. Specifically, the NWMO was to submit its study to the Minister of Natural Resources Canada by November 15, 2005, and make it available to the public at the same time.

The NWMO submitted its study to the Minister, and made it public, on November 3, 2005.

### About Implementation

After the Government of Canada makes its decision on the long-term management approach for Canada's used nuclear fuel, the NWMO will then implement that approach.

The NWMO will be responsible for managing and coordinating the full range of activities related to the approach for the long-term management of used nuclear fuel selected by government.

Implementation is anticipated to unfold over many decades. For example, in the case of Adaptive Phased Management, the early years will involve elaborating the design of the management approach and identifying and evaluating candidate sites.

Later stages will include construction of the management facilities, transportation of the used fuel to the central site and monitoring the used fuel. The NWMO will be required to meet all applicable regulatory and licensing requirements as it implements the approach selected by government. Throughout, there will be public engagement as the NWMO builds and strengthens relationships and works collaboratively with people, communities and organizations potentially affected by implementation.

The *NFWA* provides for ongoing oversight of the NWMO by the Minister of Natural Resources Canada. The NWMO will be required to publish annual reports and detailed triennial reports with five-year plans, as important measures of its accountability to the Minister and the Canadian public.

# mandate



## PRESIDENT'S REPORT

This Annual Report signals the conclusion of one phase of our life. Three years ago the Nuclear Waste Management Organization began a journey to develop collaboratively with Canadians a management approach for the long-term care of Canada's used nuclear fuel. On November 3, 2005 we met our commitment. In full compliance with the *Nuclear Fuel Waste Act*, we submitted to the Minister of Natural Resources Canada our study report and recommendation.

This is a complex public policy question. Although its radioactivity decreases with time, the used fuel from a nuclear reactor remains a potential health, safety, and security hazard for humans and the environment for a very long time – we say essentially indefinitely. The NWMO was asked to propose a system which must meet rigorous standards of safety and security for periods longer than recorded history. No other Canadian public policy initiative has ever been challenged to perform over such time frames. We do not know what technologies will be available to future generations. Nor do we know what changes there will be in institutions, values, political perspectives or financial circumstances.

It is also a question that cannot be determined by technical analysis alone. An appropriate response must integrate environmental, economic, social and

ethical dimensions. While specialists can describe for us what the risks are and even pose ways of mitigating those risks, it really is society that will determine what risks are acceptable. So values and deeply held beliefs matter a great deal. We embraced an important finding of the Seaborn Environmental Assessment Panel of the early 90s – the imperative to consider the ethical and social domains as well as the technical when assessing safety.

Consequently, we sought genuine dialogue and multiple perspectives. We listened and learned. We acknowledge and respect the wisdom of Canadian citizens. Our report is really a tribute to the thousands of people who in one way or another participated in our study. It is from them that we drew inspiration.

Some contributors were specialists who helped us to understand and build on the vast amount of research and study of those who preceded us. Others identified themselves as having an on-going interest and expertise in the issue. But the majority were people unaffiliated with industry or organized groups. They came to information and discussion sessions across the country in every province and territory, visited open houses and engaged with us electronically by making submissions and participating in e-dialogues.

Aboriginal peoples applied Traditional Knowledge and invested considerable energy in developing processes of information sharing and engagement.

From this investment in dialogue much common ground has emerged.

First, almost without exception, Canadians said that they expect to assume responsibility now, in this generation, for the waste which has been produced to meet their energy needs. They said that it was simply not acceptable to leave the burden of providing for and funding the management of used nuclear fuel as a legacy to other generations.

Secondly, Canadians did not want us to recommend an approach that was irreversible. They expect that the best science and technology will be applied, but they hope or perhaps even anticipate that there will be new developments over the decades from which we could benefit. So they wanted an approach to be flexible to allow succeeding generations to make improvements based on new knowledge or changing societal priorities.

And thirdly, while any socially acceptable approach obviously must achieve a number of objectives, Canadians were absolutely clear that safety and security are preeminent.

There is an approach that is both responsible and responsive

to the values and expectations of citizens and also to the current state of knowledge; it is called Adaptive Phased Management and that is what we have recommended.

It is both a technical method and a management system. Very simply, the technical method is isolation and containment of the waste deep underground at a central location. It is a method that allows the waste to be monitored continuously and to be retrieved if necessary for many years into the future – a key requirement of Canadians.

The management system is phased with explicit decision points along the way providing the flexibility to adapt to experience, new social learning and technological innovation over the decades. The process is designed to build confidence in the technology and supporting systems before the final phase is actually implemented. Contingencies are built in as are opportunities for citizens to influence the pace and manner of implementation.

- Adaptive Phased Management commits this generation of Canadians to take the first steps now to manage the used nuclear fuel that we have created.
- It employs the best available science and technology in pursuit of safety and security.

- It recognizes that over the very long term it would be imprudent to rely on a human management system alone that is apt to change in institution and governance over the years.
- It provides genuine choice because it is based on a financially conservative approach and it provides capacity to be transferred from one generation to another.
- Fundamentally it is rooted in Canadian values and ethics. It was designed through a collaboration of citizens and specialists. And it will continue to engage citizens allowing for societal judgments as to whether there is sufficient certainty to proceed step by step.

The NWMO is now preparing to implement the government's decision. Our Board has been generous with its support and encouragement to allow us to reach this point. They are committed to providing the necessary oversight and resources to ensure that the NWMO will have a smooth transition to becoming the implementing agency. Our Advisory Council, chaired by the Honourable David Crombie, has followed our work closely offering valuable comment and advice throughout while scrupulously maintaining its ability to provide independent review. The

Council will continue to play that role.

We've spent considerable time and effort in the last three years building relationships and we are committed to continuing in an open, inclusive and fair manner. We are trying to advance a collaborative process in which citizens play a legitimate role in making decisions while at the same time creating conditions for productive movement ahead.

The long-term management of used nuclear fuel is indeed an unprecedented test of society's ability and willingness to protect people and respect the environment now and in the future – the very long future. We humbly acknowledge that there will always be some uncertainties. It would be sheer hubris to think that we could anticipate new knowledge and societal change over hundreds of thousands of years. But we are confident that we know enough to take the first steps.

We are convinced that now is the time for us to act decisively. Inaction is not acceptable. We owe it to this and to succeeding generations. It is an ethical obligation.

**Elizabeth Dowdeswell**  
President

# 2005

## DEVELOPING THE RECOMMENDATION

### *Understanding the Choices:* Reviewing Comments from Canadians

In 2005, the third year of the NWMO's study, the focus of our work was the development of our recommendation.

Input from citizens and specialists continued to play a fundamental role.

In early 2005 we completed the nationwide dialogue begun in 2004. Citizens in every province and territory were invited to comment on the content of our second discussion document, *Understanding the Choices*.

In *Understanding the Choices*, we:

- Reported on further learning about the values and priorities of Canadians concerning the long-term management of used nuclear fuel, and insights from our previous dialogues;
- Provided more complete descriptions of the approaches that had become the focus of our study; and
- Outlined a proposed framework to be used for the assessment of management approaches, composed of

citizen values, ethical principles and specific objectives.

Using this document as the basis for discussions which continued through January and February of 2005, we asked:

- Is our assessment framework comprehensive and balanced? Does it reflect the values and objectives of Canadians? Are there gaps, and if so, what do we need to add?
- What were their thoughts on the relative strengths and limitations of each of the three management approaches specified for study in the *Nuclear Fuel Waste Act*: deep geological disposal in the Canadian Shield; storage at nuclear reactor sites; and centralized storage, above or below ground?
- Are there specific elements that must be built into an implementation plan?
- What elements must be included in a phased approach to implementation?

The specific engagement activities undertaken to pursue these questions are summarized on pages 21 to 24.

As we listened to the views expressed, we gained insight into how people approach trade-offs in considering the long-term management of used nuclear fuel. While we heard many perspectives, common ground also emerged from our dialogues.

- Above all we heard that the management approach must be safe and secure, for people, communities and the environment. Contingency plans must be put in place to manage risk and uncertainty.
- We heard that the approach must be fair, both to current and future generations. This entails advancing a plan with a definitive outcome, yet retaining the flexibility to further explore areas in which citizens wish to gain greater confidence.
- Canadians believe that this generation has an ethical responsibility to act now to address the long-term management of used fuel that is produced to supply our energy needs. At the same time, people wish to be assured of a flexible approach that can accommodate new knowledge. They emphasize the importance of ongoing monitoring of facilities into

## DEVELOPING THE RECOMMENDATION

the future, and avoidance of irreversible decisions.

From our engagement with the general public and Aboriginal peoples, we received very specific comments on the three management options that had formed the focus of our preliminary assessment.

- We learned that each of the three approaches that we studied offer distinct advantages and limitations. Taken individually, no one approach perfectly addressed all of the objectives that citizens identified as important, particularly when both the near term and longer term (beyond 175 years) are considered.
- We also heard that the way in which a management approach is implemented is as important to its acceptability as the technology used. We understood that the most profound challenge may lie not in selection of a technical method, but rather

the manner in which the management approach is implemented. In this regard, Canadians expressed a number of requirements including expectations about how citizens will be involved, how decisions will be taken and how any management approach will be monitored over time.

After reviewing each of the three management options, many suggested to us that an additional option should be considered – a fourth approach which would build upon the advantages of the other three approaches.

### Developing the Recommendation

The NWMO focused its analytical activity on three key areas in January through April 2005.

#### We developed a fourth option.

A fourth option – Adaptive Phased Management – emerged from our analytical observations and the guidance of Canadians. We designed this option to incorporate the most significant advantages of the original three options studied. It includes both a technical method and a management system. The technical method proposes ultimate centralized containment and isolation of used fuel in an appropriate geological formation, while providing for the option of shallow storage at the centralized site as a contingency. The proposed research and testing at the underground characterization facility play an important role in confirming the suitability of the site and demonstrating the safety of the repository technology. Development of the management system included an emphasis on implementation principles that reflect citizen values and expectations. Built around a phased decision-making process this option

## DEVELOPING THE RECOMMENDATION

provides for active and collaborative management of risk and uncertainty. We developed cost estimates and a preliminary conceptual engineering design based on a sound scientific and technical foundation.

We continued work on our comparative assessment. The focus was expanded to include examination of *four* management approaches: the three specified for study in the legislation, and the fourth approach, Adaptive Phased Management.

We elaborated the original assessment framework to test and enhance our understanding of the strengths and limitations of the management approaches. To assist us, we commissioned a team of specialists with knowledge in a range of the natural and social sciences, engineering and the field of nuclear waste management to compare the options:

- The basis for this assessment was the framework described in *Understanding the Choices*, modified to take into account comments from the public dialogue.

- This assessment introduced additional considerations in comparing the relative costs, benefits and risks of the four approaches. Quantitative measures and indicators were identified as well as qualitative influences to examine the four management options against objectives of: fairness, public health and safety, worker health and safety, community well-being, security, environmental integrity, economic viability and adaptability.

- This additional assessment work was extended to include consideration of illustrative economic regions in which each of the approaches might be implemented. Economic regions covering a range of physical and socio-economic conditions, illustrative of different regions of the country, were selected for purposes of analysis. Input-output models, supplemented with qualitative considerations on community values, were developed to allow the team to consider impacts on employment, income and taxes for each management approach. Examination included the possible range of adverse socio-economic

impacts of the four management approaches.

This work provided additional information on how each approach might perform against our eight objectives and introduced qualitative insights which broadened our understanding of costs, benefits and risks. Importantly, it included socio-economic analysis of the implications for different types of economic regions that might host facilities.

The findings of this comparative assessment of the four approaches confirmed our proposed recommendation of the fourth option, Adaptive Phased Management. In our *Final Study* we described our examination of the costs, benefits and risks and the consequent development of this option which we believe best responds to the objectives and priorities identified by Canadians. Detailed findings from the assessment work are available on our website at [www.nwmo.ca/assessments](http://www.nwmo.ca/assessments).

We developed a foundation for implementation. We outlined key principles and elements that we believe should underpin future implementation plans. We addressed illustrative



## DEVELOPING THE RECOMMENDATION

implementation activities and timelines, the continuing collaborative process of dialogue and engagement, research requirements and the funding formula associated with financing the management approaches.

In addition, we commissioned work which examined possible ways of addressing socio-economic impacts on a community's way of life and its social, cultural and economic aspirations. We reviewed a range of potential implementation measures to avoid or minimize negative effects and to enhance project benefits to affected communities. This work provided a starting point for continued elaboration of community-specific measures that will emerge from ongoing collaborative and consultative processes with affected stakeholders.

Our analysis was supplemented with topical analyses by specialists, including an examination of the management approaches from the perspective of potential risk. Detailed findings of the analyses are available on our website at [www.nwmo.ca/backgroundpapers](http://www.nwmo.ca/backgroundpapers).

### Production of the *Draft Study Report: Inviting Comments from Canadians*

In May, 2005, the NWMO issued a *Draft Study Report*, entitled *Choosing a Way Forward: The Future Management of Canada's Used Nuclear Fuel (Draft)*. This document is available on our website at: [www.nwmo.ca/draftstudyreport](http://www.nwmo.ca/draftstudyreport).

The *Draft Study Report* was the third major document published over the course of the NWMO study. This report reflected a synthesis of ideas from the previous two years of engaging with citizens and specialists, and proposed a course of action. In the *Draft Study Report*, we outlined and explained our intention to recommend Adaptive Phased Management as the preferred approach. Using the *Draft Study Report* as the basis for discussion, we invited comments on:

- Our completed comparative assessment of four management approaches: the three specified for study in the *Nuclear Fuel Waste Act* and a fourth approach, Adaptive Phased Management;
- The appropriateness of our recommended approach, Adaptive Phased Management; and
- The detailed implementation plans that we proposed.

With release of this document, the NWMO initiated another series of dialogues with the public and Aboriginal peoples. We furthered public discussion of the comparative strengths and limitations of the management options and we invited comments on Adaptive Phased Management to test and validate this proposed recommendation.

Specific engagement activities are listed on pages 25 to 28.

## DEVELOPING THE RECOMMENDATION

### Refining the Study

The NWMO received many comments on Adaptive Phased Management through the dialogues which followed release of the *Draft Study Report*. These comments are summarized in reports on each dialogue, and posted on our website at [www.nwmo.ca/dsrdialogue](http://www.nwmo.ca/dsrdialogue).

We heard that fundamentally our proposed management approach was both reasonable and appropriate. At the same time, we received a number of comments and questions which required further reflection and clarification. We heard that more information was needed about elements of Adaptive Phased Management and some important questions needed to be answered to address concerns expressed about the approach. For example, many asked for clarification on the timeline over which Adaptive Phased Management would be implemented. Others sought a clearer explanation for the optional central shallow storage facility that we proposed as a contingency in the event of unplanned circumstances. In the *Final Study* we attempted to respond to many of these requests and questions and

incorporated numerous suggestions for implementation provided through the dialogue.

We believe that the common ground which emerged from the dialogues provides the foundation for the Adaptive Phased Management approach to be implemented.

In preparing our *Final Study* we presented the Adaptive Phased Management approach as originally outlined in the *Draft Study Report*. We did, however, introduce enhancements and refinements, which included:

- Clarification on issues that generated questions and inquiry in the NWMO's dialogue with Canadians;
- Incorporation of suggestions put forward during public reviews of the *Draft Study Report*;
- Elaboration, in subject areas of significant public interest as demonstrated through our Aboriginal and public dialogues, and areas proposed by the Advisory Council for fuller discussion in the *Final Study*;

- Factual additions, legislative and regulatory information, and more recent developments in Canada and other jurisdictions concerning radioactive waste management; and
- The addition of a complete summary report of comments we received through our Aboriginal and public dialogues, and a compilation of all study activities undertaken to complete the NWMO study process.

As a guide to readers we published a document which outlines key areas in which the NWMO's *Final Study* reflects modifications from the *Draft Study Report*. This is available on our website at [www.nwmo.ca/studyreport](http://www.nwmo.ca/studyreport).

## DEVELOPING THE RECOMMENDATION

### NWMO'S RECOMMENDATION

Our recommendation for the long-term management of used nuclear fuel in Canada has as its primary objectives safety – the protection of humans and the environment – and fairness to this and future generations.

Therefore we recommend to the Government of Canada Adaptive Phased Management, a risk management approach with the following characteristics:

- Centralized containment and isolation of the used fuel in a deep geological repository in a suitable rock formation, such as the crystalline rock of the Canadian Shield or Ordovician sedimentary rock;
  - Flexibility in the pace and manner of implementation through a phased decision-making process, supported by a program of continuous learning, research and development;
  - Provision for an optional step in the implementation process in the form of shallow underground storage of used fuel at the central site, prior to final placement in a deep repository;
  - Continuous monitoring of the used fuel to support data collection and confirmation of the safety and performance of the repository; and
  - Potential for retrievability of the used fuel for an extended period, until such time as a future society makes a determination on the final closure, and the appropriate form and duration of postclosure monitoring.
- The Nuclear Waste Management Organization would implement this comprehensive approach, in compliance with the *Nuclear Fuel Waste Act (NFWA)* of 2002, and would:
- Meet or exceed all applicable regulatory standards and requirements for protecting the health, safety and security of humans and the environment;
  - Provide financial surety through funding by the nuclear energy corporations (currently Ontario Power Generation Inc., Hydro-Québec and NB Power Nuclear) and Atomic Energy of Canada Limited, according to a financial formula as required by the *NFWA*;
  - Seek an informed, willing community to host the central facilities. The site must meet the scientific and technical criteria chosen to ensure that multiple engineered and natural barriers will protect human beings, other life forms and the biosphere. Implementation of the approach will respect the social, cultural and economic aspirations of the affected communities;
  - Focus site selection for the facilities on those provinces that are directly involved in the nuclear fuel cycle;
  - Sustain the engagement of people and communities throughout the phased process of decision and implementation; and
  - Be responsive to advances in technology, natural and social science research, Aboriginal Traditional Knowledge, and societal values and expectations.

## DEVELOPING THE RECOMMENDATION

### Submitting the *Final Study* to Government

Submission of the *Final Study* to the Minister of Natural Resources Canada on November 3, 2005 marked an important milestone for the NWMO. The study was released simultaneously to the public through posting on our website and distribution through mailings. The *Final Study* is posted at [www.nwmo.ca/studyreport](http://www.nwmo.ca/studyreport).

Subsequently the Minister tabled the NWMO study in Parliament. Following submission of the *Final Study* to the Minister, the NWMO was requested to appear before the House of Commons Standing Committee on Environment and Sustainable Development on November 22, 2005 to address our recommendations. A record of our presentation to the Committee, delivered by the President, Chairman of the Board and Advisory Council Chairman, is available on our website at [www.nwmo.ca/esdpresentation](http://www.nwmo.ca/esdpresentation).

The *Final Study* summarizes our three-year examination of management approaches and recommendations, in compliance with the study requirements set out in the *Nuclear Fuel Waste Act (NFWA)*. It sets out the range of management options studied by the NWMO, the process of examination and public engagement, and the assessment findings that led the NWMO to its recommendation of Adaptive Phased Management. As stipulated by the *NFWA*, we included in the *Final Study* a summary of comments received through our engagement with the general public and Aboriginal peoples. Also included was the report of the Advisory Council to the NWMO, with the Council's independent review and comment on the study.

The NWMO study, with a recommendation on an approach for the long-term management of Canada's used nuclear fuel, is with the federal government for review and decision. Natural Resources Canada is leading the government's review and coordinating the government response. A decision on a management approach will be taken by the Governor in Council.

Implementation timetables can only be fully defined after the federal government decides on a management approach. In our *Final Study* we set out our intentions for implementing and safely managing Canada's used nuclear fuel over the long term. As our work continues, the NWMO will maintain its practice of sharing its thinking for public review and discussion, before decisions are taken.

## DEVELOPING THE RECOMMENDATION

### NWMO'S INTENTIONS

We seek to implement the management approach selected by government consistent with the intentions articulated in our *Final Study*.

- Under the NWMO's leadership, the detailed implementation plans will be designed through dialogue with the many communities of interest who will have important roles to play in overseeing and participating in implementation.
- Through collaborative engagement and decision-making processes, we will seek to build confidence and sustain the momentum for implementation.
- The unprecedented time horizon brings with it a need for continuous learning, and a commitment to collaboratively define and periodically assess indicators of progress as a means of facilitating adaptation to evolving conditions.
- In designing implementation plans it is the intention of the NWMO to:
  - Communicate a clear decision-making path that assigns accountability;
  - Continue to give priority to the values of citizens, including Aboriginal peoples;
  - Build on the relationships that we have established;
  - Seek to continue real dialogue;
  - Focus our engagement on potentially impacted communities of interest, and recognize contributions and costs borne by them through appropriate measures;
  - Assign importance to societal considerations in the site-selection process; and
  - Seek to ensure access to the knowledge and resources required to make decisions and sustain operations.

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Expanding Our Dialogue

Continuing our engagement of Canadians was an integral and important part of the final year of the NWMO study. We convened a wide range of activities including meetings, dialogues and workshops to invite comments and seek direction and guidance for the development of our recommendations.

Two milestone documents were the basis for the public dialogues which occurred in two phases in 2005. The first phase, early in the year, was a continuation of the conversation begun with Canadians in late 2004 about our second discussion document, *Understanding the Choices*. In May, after publication of our *Draft Study Report: Choosing a Way Forward (Draft)*, we undertook another series of engagement activities for an exchange of views in order to improve our draft recommendation before it was finalized.

In each of these phases, we convened advertised, open public sessions and topical workshops and meetings to which we invited individuals and organizations with an expressed interest in the long-term management of used nuclear fuel.

Integral to our outreach was our continued support of the dialogues designed, delivered and reported on by 15 national, regional and local Aboriginal organizations.

We also conducted public opinion research in both phases to track the views of the public at large.

An elaborated discussion of our engagement process is provided in our *Final Study* at [www.nwmo.ca/studyreport](http://www.nwmo.ca/studyreport). In addition, we produced *Building Relationship*, a separate report summarizing what we heard from our dialogue with Aboriginal people. ([www.nwmo.ca/buildingrelationship](http://www.nwmo.ca/buildingrelationship))

Both phases of our 2005 engagement are described on the following pages.

### Understanding the Choices: Engagement in Early 2005

2005 saw a continuation of the extensive dialogue launched the year before on our second discussion document, *Understanding the Choices*. Through the autumn of 2004 citizens in every province and territory participated in 120 well-advertised public information and discussion sessions focused on the preliminary description of long-term nuclear waste management options and the framework being proposed to compare them. Engagement on this subject concluded in early 2005 and is summarized in the following table.

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### 2005 ENGAGEMENT ACTIVITIES: *Understanding the Choices*

*Understanding the Choices* posed questions about how the NWMO proposed to compare the options for long-term nuclear waste management and about the strengths and limitations of the different choices. A range of activities was undertaken in 2005 to continue the dialogue which began after the second discussion document was published the previous November.

#### National and Regional Stakeholder Dialogues

National and Regional Dialogues, which first occurred in 2004, were reconvened in January and February 2005. The two-day sessions, which brought together individuals and organizations with a history of involvement in nuclear and similar public policy issues, were designed to assist participants in their understanding of the proposed assessment framework and invite in depth discussion of questions posed in *Understanding the Choices*.

January – February

Toronto, ON; Mississauga, ON; Montreal, QC; Fredericton, NB

Workshop report is available at [www.nwmo.ca/workshopsandroundtables](http://www.nwmo.ca/workshopsandroundtables)

#### Nuclear Host Community Dialogue Workshop

*Understanding the Choices* was also the subject of a Community Dialogue Workshop which brought together people representing different perspectives but all living in or near nuclear reactor site communities.

February 14-15

Toronto, ON

Workshop report is available at [www.nwmo.ca/workshopreports](http://www.nwmo.ca/workshopreports)

#### Moderated E-Dialogues: Decision-Making Under Conditions of Risk and Uncertainty

Delivered in partnership with Royal Roads University, expert panelists in this e-dialogue explored the issue of decision-making under conditions of risk and uncertainty in the management of used nuclear fuel. Visitors to the e-dialogue website were invited to monitor the dialogue and then contribute their own views.

February 10

Internet-based

Report is available at [www.nwmo.ca/edialogues](http://www.nwmo.ca/edialogues)

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Public Opinion Research

An important component of the NWMO outreach is tracking the views of Canadians through public attitude research including discussion groups and surveys. Discussion group participants are randomly selected and include a broad diversity of views. Participants for surveys are selected using scientific sampling techniques to be representative of Canadians as a whole and by region. In late 2004 and early 2005 research was conducted to provide insight into how people approach trade-offs required in developing a recommendation for the long-term management of used nuclear fuel.

December 8, 2004 – January 10, 2005

10 focus group sessions

Pickering, ON; Sault Ste. Marie, ON; Windsor, ON, Saint John, NB; Quebec City, QC

Report is available at: [www.nwmo.ca/publicattituderesearch](http://www.nwmo.ca/publicattituderesearch)

### Website Survey

The NWMO continued to conduct electronic surveys to gauge the views of visitors to its website. A survey exploring questions posed by *Understanding the Choices* was posted in late 2004 and early 2005.

Late 2004/early 2005

Internet-based

Surveys are available for review at: [www.nwmo.ca/surveys](http://www.nwmo.ca/surveys)

### 2005 Dialogues Led by National Aboriginal Organizations

Through 2005 the NWMO continued its support of dialogues designed, implemented and reported on by Aboriginal groups and organizations. Each process was different, reflecting the needs and concerns of the people represented.

Reports from the various dialogues listed below, as summarized by the national Aboriginal organizations which conducted them, are available on our website at: [www.nwmo.ca/aboriginaldialogues](http://www.nwmo.ca/aboriginaldialogues)

### Congress of Aboriginal Peoples (CAP)

January 14 – April 14

CAP – Western Office, Calgary, AB; Native Council of Prince Edward Island, Charlottetown, PEI; New Brunswick Aboriginal Peoples Council, Fredericton, NB; Labrador Métis Nation Dialogue Session, Goose Bay, Labrador; Native Council of Nova Scotia Direct Mail/Key Informant Interviews, various locations; Federation of Newfoundland Indians Dialogue with 9 Band Councils, various locations; United Native Nations of British Columbia, Vancouver, BC; Aboriginal Council of Manitoba – CAP questionnaire distributed and analyzed; CAP National Youth Council, Special Session.



## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Inuit Tapiriit Kanatami

January 27-28

Dialogue on the Long-Term Management of Nuclear Fuel Waste;  
Kuujuak, Nunavik/Northern Quebec

February 9-10

Dialogue on the Long-Term Management of Nuclear Fuel Waste;  
Makkovik, Nunatsiavut/Labrador

March 28-30

Special session with National Inuit Youth at the National Inuit Youth Summit;  
Nain, Nunatsiavut

### Métis National Council

April 2-3; March 29-31

Métis Provincial Council of British Columbia; Kelowna, BC; Northeastern BC

March 23-24

Métis Nation of Alberta; Edmonton, AB

April 16-21

Manitoba Métis Federation Regional Meetings; Flin Flon, MB; Thompson, MB;  
Lac du Bonnet, MB

April 22

Manitoba Métis Federation Focus Groups; Winnipeg, MB

January 14 – February 18

Métis Nation of Ontario; Midland, ON; Hamilton, ON; Fort Francis, ON; Timmins, ON;  
Sudbury, ON; Thunder Bay, ON

January – June

Métis National Council newspapers and on-line survey

### Dialogues Led by Regional or Local Aboriginal Organizations

As with the national Aboriginal dialogues undertaken in 2005, each regional and local process was different, reflecting the needs and concerns of the people represented.

Reports from the various dialogues listed below, as summarized by the organizations which conducted them, are available on our website at: [www.nwmo.ca/aboriginaldialogues](http://www.nwmo.ca/aboriginaldialogues)

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Atlantic Policy Congress of First Nation Chiefs (APC)

January 20

Nuclear Waste Management Workshop; Fredericton, NB

January 21

Nuclear Waste Management Workshop; Truro, NS

### East Coast First People's Alliance

January 2005

Survey of Members

### Ontario Métis Aboriginal Association

December 2004 – March 2005

64 Community Dialogue sessions:

Arnprior, Bancroft, Belleville, Britt, Brockville, Chapleau, Chatham, Chelmsford, Cochrane, Cornwall, Dryden, Echo Bay, Elliot Lake, Fort Frances, Geraldton, Gravenhurst, Haliburton, Hamilton, Hurkett, Ignace, Iron Bridge, Iroquois, Iroquois Falls, Kenora (various dates), Kingston, Matawatchan, Midland (various dates), Napanee, Nipigon, Noelville, Orillia, Ottawa, Owen Sound, Pembroke (various dates), Peterborough, Port McNicoll, Rainy River, Renfrew (various dates), Sarnia, Sioux Lookout, Smiths Falls, Spanish (various dates), Sturgeon Falls, Terrace Bay, Thessalon, Thunder Bay (various dates), Timmins, Trenton, Vermilion Bay, Wabigoon, Wawa, Welland, Windsor

### Choosing a Way Forward: Further Engagement in 2005

The second phase of public discussion in 2005 began in May after publication of the third NWMO milestone document, the *Draft Study Report: Choosing a Way Forward (Draft)*.

The following table summarizes engagement activities which invited public comment on the *Draft Study Report* and the NWMO's proposed recommendation, Adaptive Phased Management.

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### 2005 ENGAGEMENT ACTIVITIES: *Choosing A Way Forward*

After releasing its *Draft Study Report: Choosing a Way Forward (Draft)* the NWMO sought comment on the proposed recommendation and direction on appropriate implementation of the Adaptive Phased Management approach. A range of activities was undertaken.

#### Dialogue on the *Draft Study Report*

A significant initiative in the second phase of 2005 was a series of dialogues which all individuals who had contributed to earlier phases of the study were invited to attend. As well, new participants who expressed an interest were welcomed to these two-day facilitated sessions conducted in New Brunswick, Quebec, Ontario, Manitoba and Saskatchewan.

June 22 – July 20

Pinawa, MB; Saskatoon, SK; Saint John, NB; Trois-Rivières, QC; Toronto, ON; North Bay, ON

Reports of each of the sessions and a summary report are available at: [www.nwmo.ca/dsrdialogue](http://www.nwmo.ca/dsrdialogue)

#### Elders' Forum

To augment our dialogue with Aboriginal peoples, the NWMO convened an Elders' Forum to learn from holders of Aboriginal Traditional Knowledge and youth about their perspectives on our proposals. Participants were drawn from among Aboriginal organizations across Canada. The two-day session included a discussion about how the NWMO can best continue to engage the Aboriginal community in the years ahead.

August 25-27, 2005

Odawa Native Friendship Centre; Ottawa, ON

A report of this forum is available at: [www.nwmo.ca/aboriginaldialogues](http://www.nwmo.ca/aboriginaldialogues)

#### Open Houses in Reactor Site Communities

The NWMO continued through 2005 to benefit from the experience, insights and perspectives of people who live in or near current reactor site communities. A series of advertised Open Houses provided opportunities for citizens in nuclear communities to review and comment on the *Draft Study Report* and recommendation.

June – July

Saint John, NB; Bécancour, QC; Pembroke, ON; Deep River, ON; Pickering, ON;

Clarington; ON; Kincardine, ON

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Moderated E-Forum

Hosted by Royal Roads University all interested Canadians were invited to engage in this e-dialogue concerning the appropriateness of the *Draft Study Report* and proposed recommendation. The six-week forum was opened with an interview with NWMO president Elizabeth Dowdeswell by the moderator.

July 1 – August 14

Internet-based

A report of this forum is available at: [www.nwmo.ca/edialogues](http://www.nwmo.ca/edialogues)

### NWMO Briefings and Support to Aboriginal Meetings

The NWMO participates in Aboriginal meetings and dialogues upon request. In 2005 we made presentations and provided material about the *Draft Study Report* to support the dialogue.

May 13

AFN staff briefing; Ottawa, ON

May 19

ITK staff briefing; Ottawa, ON

Eabametoong First Nation Community Elders; Ottawa ON

### Public Opinion Research

An important component of the NWMO outreach is tracking the views of Canadians through public attitude research including discussion groups and surveys. Discussion group participants are randomly selected and include a broad diversity of views. Participants for surveys are selected using scientific sampling techniques to be representative of Canadians as a whole and by region. Focus groups and a national telephone survey were conducted following publication of the *Draft Study Report*.

June – July

24 focus groups convened in 12 communities: Saskatoon, Regina, London, Clarington, Toronto, Kenora, Sudbury, Kingston, Montreal, Trois Rivières, Saint John, Fredericton

July

The third in a series of national telephone surveys was conducted with a representative sample of randomly selected Canadians from coast-to-coast, with an over-sample in nuclear site communities.

Summaries of the discussion groups and the telephone survey described above are available at:

[www.nwmo.ca/publicattituderesearch](http://www.nwmo.ca/publicattituderesearch)

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Website Survey

A survey accessible to all visitors to the NWMO website explored views on the *Draft Study Report* during the summer of 2005.

July – August

Internet based

Surveys are available for review at: [www.nwmo.ca/surveys](http://www.nwmo.ca/surveys)

### Dialogues Led by National Aboriginal Organizations

National Aboriginal Organizations designed, implemented and reported on a variety of dialogue activities after release of the *Draft Study Report*. The NWMO continued its support of these important activities throughout 2005.

Reports from the various dialogues listed below, as summarized by the national Aboriginal organizations which conducted them, are available on our website at: [www.nwmo.ca/aboriginaldialogues](http://www.nwmo.ca/aboriginaldialogues)

### Assembly of First Nations

May 13

Working Group Meeting (National Update); Ottawa, ON

June 14

Working Group Meeting; Ottawa, ON

July 26

Regional Forum, (Quebec); Ottawa, ON

### Congress of Aboriginal Peoples

June 17

National Workshop; Ottawa, ON

### Métis National Council

January – June

Métis National Council newspapers and on-line survey

### Native Women's Association of Canada

June 14

Workshop with representatives from across Canada; Ottawa, ON

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Dialogues Led by Regional or Local Aboriginal Organizations

Reports from the various dialogues listed below, as summarized by the regional and local organizations which conducted them, are available on our website at: [www.nwmo.ca/aboriginaldialogues](http://www.nwmo.ca/aboriginaldialogues)

#### Atlantic Policy Congress of First Nation Chiefs (APC)

June 8-9

Focus Groups; Big Cove, NB, Fredericton, NB

July 11-12

Maritime Regional Workshop; Halifax, NS

#### Union of New Brunswick Indians

July – August

15 local community dialogues: Fort Folly First Nation, Woodstock First Nation, St. Mary's First Nation, Tobique First Nation, Madawaska First Nation, Oromocto (at Woodstock) First Nation, Kingsclear First Nation, Eel Ground First Nation, Red Bank First Nation, Big Cove First Nation, Pabineau First Nation, Burnt Church First Nation, Batouche First Nation, Indian Island First Nation, Eel River Bar First Nation  
Provincial Workshop (Red Bank First Nation)

#### Federation of Saskatchewan Indian Nations

July – August

12 local community dialogues: Thunderchild First Nation, Agency Chiefs Tribal Council, Big River First Nation (Chief and Council), Witchekean Lake First Nation (Chief and Council), Pelican Lake First Nation (Chief and Council), James Smith First Nation (FSIN Summer Camp), Thunderchild First Nation (Chief and Council), Onion Lake First Nation (Chief and Council), Pelican Narrows (FSIN Summer Camp), Mistawasis First Nation (Chief and Council), English River First Nation (Patuanak, FSIN Summer Camp), FSIN Youth Assembly (Yorkton)

#### Northern Saskatchewan Local Dialogues

August 4

English River First Nation: discussion between NWMO and representatives of English River First Nation; Patuanak, SK

August 3

Youth Dialogue: Youth Wellness Conference; Ile-a-la-Crosse, SK

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

### Other Engagement Activities

In parallel with our dialogues during 2005, were a number of complementary activities that were significant in the collaborative development of the NWMO's recommendations.

### Nature of the hazard workshop.

In February 2005, we organized a dialogue about the nature of the hazard from used nuclear fuel. Among the 16 participants were representatives from a range of sectors, including the environmental community, academe, the nuclear industry, holders of Aboriginal Traditional Knowledge, government, regulators, as well as some interested citizens. A workshop report is available at [www.nwmo.ca/workshopsandroundtables](http://www.nwmo.ca/workshopsandroundtables).

### The NWMO Roundtable on Ethics.

The Roundtable continued to meet in 2005 helping us to articulate and address fundamental ethical issues relating to our assessment and recommendations. The Roundtable refined its Ethical and Social Framework and discussed the NWMO's proposals under development. Following their review Roundtable members endorsed the Adaptive Phased Management recommendation as a method to

manage existing and committed used nuclear fuel. Reports are available at [www.nwmo.ca/ethicsroundtable](http://www.nwmo.ca/ethicsroundtable).

**International Panel.** The NWMO continued to benefit from the informal and ongoing advice of panel members Justice Thomas Berger, Dr. Hans Blix and Dr. Gustav Speth, individuals with international stature and experience. Drawing on their experiences in matters of resource development and Aboriginal concerns, environment and nuclear energy, members reviewed and provided comment on the NWMO's discussion documents and recommendations set out in the *Draft Study Report*. Summary comments are available at [www.nwmo.ca/internationalpanel](http://www.nwmo.ca/internationalpanel).

**Topical workshops, meetings and conferences.** We convened small meetings and workshops to explore in depth specific topics and key issues.

- NWMO continued to meet with organizations upon request and deliver presentations on the study, including the draft recommendation. For example, in 2005 we met with:
  - Deep River Science Academy

- Durham Nuclear Health Committee
- Manitoba Institute of Management
- Nuclear Waste Watch
- South Bruce Impact Advisory Committee
- Trudeau Foundation & Sierra Club of Canada Roundtable on Nuclear Waste Management.
- The NWMO sought to keep the nuclear industry updated on its study throughout the year through participation in meetings and conferences.
- The NWMO participated in national conferences and seminars led by the Canadian Nuclear Association and the Canadian Nuclear Society in 2005, during which we presented many aspects of the study and draft recommendation.
- NWMO Assessment Team member, Tom Isaacs, delivered the W.B. Lewis Memorial Lecture at the Canadian Nuclear Society Conference in June, 2005.

## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

- NWMO participated in a range of public policy fora in 2005, which included a discussion of NWMO's engagement program at the Canadian Conference on Dialogue and Deliberation, organized by Canadian Policy Research Networks.
- The NWMO continued to lead presentations and discussion on its study in university classes upon request.

**Government briefings.** We informed representatives of federal, provincial and municipal governments about our study as it evolved through the year.

- We convened meetings and provided briefings through written updates and formal workshops with the public service and elected officials in federal and provincial jurisdictions.
- We provided regular updates on our work to mayors of nuclear communities through briefings of the Canadian Association of Nuclear Host Communities and to representatives of other municipal interests upon request, such as the Federation of Northern

Ontario Municipalities and city councils.

- Parliamentarians were kept informed of NWMO's activities through the NWMO Annual Report tabled in Parliament by the Minister of Natural Resources Canada. In addition, as NWMO scheduled its public engagement activities in communities across Canada, we sought to keep parliamentarians from those constituencies updated on our activities.
- A highlight for 2005 was the submission of the *Final Study* to the Minister of Natural Resources Canada on November 3, 2005. The Minister tabled the *Final Study* in Parliament on November 4, 2005.
- At the request of the House of Commons Standing Committee on the Environment and Sustainable Development, the NWMO delivered a presentation and responded to questions on the recommendations. The presentation is available on our website at [www.esdpresentation](http://www.esdpresentation).

**International meetings.** During 2005, the NWMO participated in a number of international meetings which provided opportunities to continue the exchange of information and research on management approaches with other jurisdictions.

- In October 2005 the NWMO was invited to present to the United Kingdom House of Lords Science and Technology Committee, the All-Party Parliamentary Group on Nuclear Energy, and a number of other UK-based departments and agencies, at meetings arranged by the Canadian High Commission.
- We continued our participation in OECD-led activities of the Nuclear Energy Agency: Radioactive Waste Management Committee, Forum for Stakeholder Confidence (Business meetings and Spanish workshop), and AMIGO Workshop initiative.



## A PROCESS OF ENGAGEMENT: THE YEAR IN REVIEW

- We also examined societal dimensions of radioactive waste management through our participation in the international initiative of CARL (a social science research project into the effects of stakeholder involvement on decision-making in radioactive waste management).
- The NWMO continued to meet with its counterpart organizations in other jurisdictions through biannual meetings.
- The NWMO participated in international conferences in Japan, Scotland, England, France and the U.S. during which presentations were delivered on the social and technical aspects of the NWMO study and recommendation and further information was obtained on the status of international work on the management of used nuclear fuel.

### Maintaining Our Communications

The NWMO undertook a number of communications activities in 2005 to complement the public dialogue.

The NWMO website served as the primary vehicle for making available to the public our background papers, technical reports, and discussion documents. We provided regular updates on our activities by posting newsletters, speeches and a calendar of upcoming events. At the direction of the NWMO Advisory Council and the NWMO Board of Directors, the minutes of their meetings were made public through the website. Visitors to the website made submissions and completed surveys.

Print materials were also an important part of our communications. We continued distribution of our second discussion document, *Understanding the Choices*. We issued our *Draft Study Report*, and *Final Study*, and the collateral materials associated with each report.

All of the major NWMO documents were published in both French and English. In consultation and partnership with Aboriginal organizations, some documentation has been translated into Aboriginal languages, including Cree, Ojibway and Ojibway. A summary of our *Final Study* is presently being translated into several Aboriginal languages.

The NWMO's media profile grew in 2005, upon release of the *Draft Study Report* in May and issuance of the *Final Study* in November. We followed release of the *Draft Study Report* with a print advertising campaign to raise awareness of the document. Through placements in national papers and major dailies and weeklies in New Brunswick, Ontario, Quebec and Saskatchewan, we profiled the document and extended an invitation for public comments on our proposed recommendation. The NWMO President and staff conducted broadcast and print interviews with regional and national outlets upon request throughout the year. The documents also prompted newspaper editorial comment, published opinions from stakeholders and elected officials, as well as a number of letters to editors. We also continued to publish and distribute newsletters throughout the year.

## THE STUDY IN REVIEW

2005 was the third and final year of the NWMO examination of long-term management approaches for used nuclear fuel. Submission of our *Final Study* to the federal government in November brought a conclusion to the first phase of the organization's mandate.

This section highlights some retrospective thoughts about achievements and accomplishments in meeting the mandate and in realizing the intentions we established for NWMO operations at the beginning.

First and foremost, the NWMO met important legislative requirements established in the *Nuclear Fuel Waste Act (NFWA)*.

With completion of our study in 2005, we fulfilled our legislated obligation to conduct a comparative assessment of management approaches, and to engage the general public and Aboriginal peoples. We proposed a recommended management approach for government consideration. We included in our *Final Study* the independent comments of the Advisory Council, and a summary of comments from our public engagement. We submitted our *Final Study* to the Minister of Natural Resources Canada in advance of the legislated timeline, and simultaneously made it public. The *Final Study* provides a detailed account of how we fulfilled the specific study and reporting requirements under the *NFWA*.

The NWMO sought to develop collaboratively with Canadians a management approach for the long-term care of Canada's used nuclear fuel.

We implemented a process designed to bring specialists and citizens together to help direct decisions taken. Specialists provided the information foundation for the study, advancing our understanding of the technical options available from which to choose. The social and ethical platform was derived from a dialogue with citizens, as they identified overarching requirements and values that should drive the selection of an appropriate management approach for Canada. It is through this collaborative work that we uncovered a shared understanding of what should guide our recommendation. Our recommendation emerged as a true product of collaboration.

## THE STUDY IN REVIEW

The study included a three-year continuum of dialogue with Canadians who provided comment, guidance and validation throughout. From the outset we undertook to “think out loud” as we proceeded through each phase of the study. Our commitment to dialogue profoundly influenced the work plan. Each phase provided opportunities for public engagement supported by the milestone documents we produced. The documents made transparent our findings and proposals for public review. Through this process we invited guidance for subsequent phases of the study. In this way, the research questions, assessment methodology and findings, and key decision points were discussed and validated before we proceeded to the next stage. From start to finish the NWMO study was a constructive dialogue involving citizens – to test ideas, build awareness and promote discussion of the options.

We heard from and considered a diversity of views and perspectives.

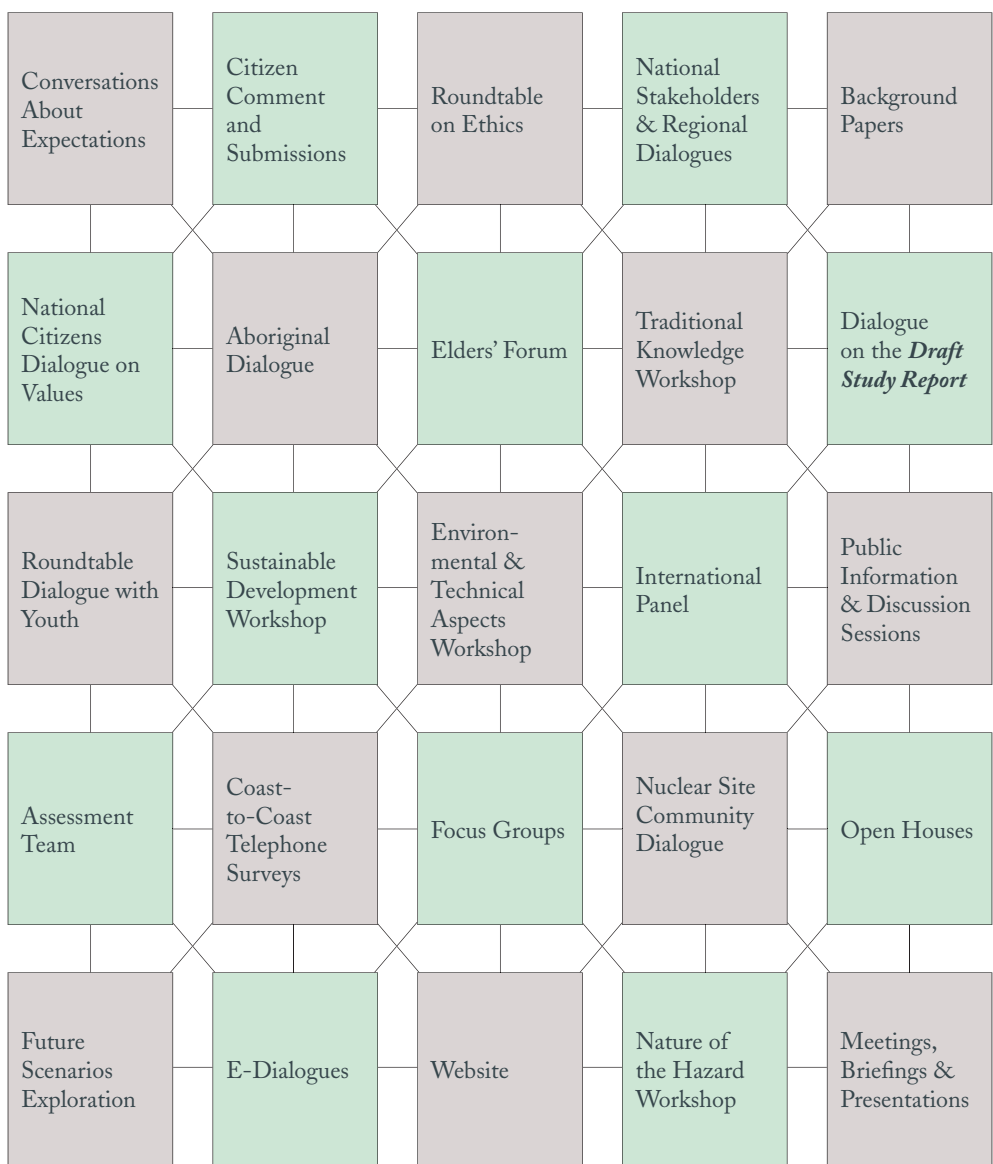
All of our dialogues were designed to bring a diversity of perspectives to the table and to support engagement in the truest sense. Throughout the study we facilitated situations that would encourage dialogue amongst participants as they listened to one another and considered different views.

We invited discussion with the general public and with Canada’s Aboriginal peoples, and we sought to understand the values they expect to see reflected in our recommendation. We engaged citizens from communities that have experience living and working near nuclear facilities, and from those highly engaged in this issue who for many years have studied and contributed to discussions on nuclear matters. We also invited the participation of specialists who could assist our consideration of specific issues regarding nuclear waste management.

We sought to design an innovative program of engagement. Some dialogues invited everyone who was interested. Others drew statistically representative cross-sections of the population as proxies for the general public. We also supported a comprehensive dialogue on all elements of the study designed, delivered and reported on by local, regional and national Aboriginal organizations.

We sought to make the dialogue accessible through different media, providing for both face-to-face meetings and electronic communication. Discussion document releases were well publicized. Information and discussion sessions and open houses were advertised to encourage participation. Requests for participant and peer review funding were positively responded to. Each component of the outreach program was important in our engagement of Canadians.

THE STUDY IN REVIEW



## THE STUDY IN REVIEW

Throughout, our intent was to hear from and understand a broad range of perspectives on issues – rather than achieve quantitative targets for number of people engaged. However we would be remiss not to note the large number of Canadians who invested personal time to share experiences, expertise and views on our work. The study was influenced by a wide cross-section of Canadians who participated and helped guide our recommendation.

The vast majority of participants were unaffiliated with industry or organized groups. They came to over 120 information and discussion sessions we convened in every province and territory. They visited open houses and met with us in reactor site communities. They participated in our full-day National Citizen Dialogues on Values that were held in 12 locations across the country.

We partnered with six national and nine regional and local Aboriginal organizations to learn the perspectives of their members. Through these dialogues designed, delivered and reported on by their own organizations, 2,500 Aboriginal people contributed to our study. We further explored Canadian opinion through focus groups, and through three rounds of quantitative research, each surveying 2,600 representatives of the public at large. We invited interested Canadians to provide comments on our recommendations by participating in 1½-day discussions held in five provinces. Many made verbal and written submissions and engaged with us electronically through our internet-based e-dialogues. Some 500 specialists, from technical disciplines and the natural and social sciences, contributed to the study. Others participated in workshops, meetings, e-dialogues, and our web-based surveys.

Overall, we estimate conservatively that more than 18,000 citizens, coast to coast, contributed directly to the discussion.

Over 50,000 people expressed interest by visiting our website. The website registered substantial growth in activity over the study period, peaking in May 2005, with release of our proposed recommendation.

Many requested our print materials and milestone documents. In 2005, we responded to requests for our reports, distributing 2,900 copies of the *Draft Study Report* and more than 3,000 copies of the *Final Study*. These reports were also made available for download from the NWMO website.

**THE STUDY PROCESS: AN ITERATIVE DIALOGUE**



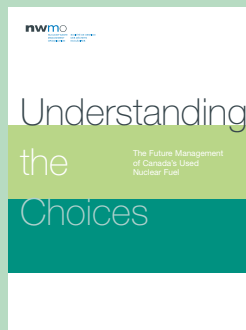
In November 2003, the NWMO published its first discussion document. In *Asking the Right Questions?* we invited public comment on the issues and questions to be addressed in the study as we prepared to examine

the different approaches for the long-term management of Canada's used nuclear fuel.

- Face-to-face meetings
- Letters and submissions
- Key concepts exploration
- Traditional Knowledge Workshop
- Technical methods exploration
- Future scenarios exploration
- Roundtable on ethics
- Nuclear host community workshop
- Aboriginal dialogues
- Sustainable development workshop
- Science and technology workshop
- Public attitude research
- Political representatives briefing

Approximately 70 papers were commissioned on the following topics:

- Social and ethical dimensions
- Health and safety
- Science and environment
- Economic factors
- Technical methods
- Conceptual engineering designs and cost estimates for alternative management approaches
- Institutions and governance



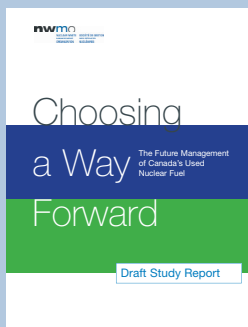
In September 2004, the NWMO published the second discussion document.

*Understanding the Choices* built upon the discussion and feedback we received on our first document. It invited comment

on our preliminary analysis of the three management approaches specified for study in *Nuclear Fuel Waste Act*.

- National citizens' dialogue on values
- Letters and submissions
- Dialogue workshops
- Aboriginal dialogues
- Youth forum
- Public attitude research
- Workshops and meetings upon request
- Political representatives briefing
- Preliminary assessment paper

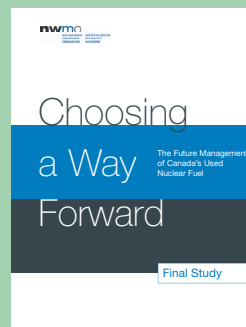
## THE STUDY PROCESS: AN ITERATIVE DIALOGUE



In May 2005, the NWMO published its proposed recommendation and implementation plans for review and comment. This *Draft Study Report: Choosing a Way Forward* included a refined

comparative assessment of four approaches, including our recommended option, Adaptive Phased Management.

- Public information and discussion sessions
- Letters and submissions
- Aboriginal dialogues
- E-dialogues
- Nature of the hazard workshop
- Dialogue workshops
- Nuclear host community meetings and workshops
- Public policy roundtable
- Political representatives briefings
- Public attitude research
- Open houses
- Workshops and meetings upon request
- Comparative assessment of costs, benefits and risks papers
- Supplementary risk study



In November 2005, the NWMO published its *Final Study* and submitted it to the Minister of Natural Resources Canada. *Choosing a Way Forward* presents our final comparative assessment of the

management approaches and our recommendations. Also included, is a summary of public commentary on the alternative approaches, and the Advisory Council's independent comments on the study and the proposed approaches.

- Dialogue workshops
- Letters and submissions
- Aboriginal dialogues
- Nuclear host community workshops
- Elders' forum
- On-line public forum
- Public attitude research
- Workshops and meetings upon request
- Open houses
- Political representatives briefings

## THE STUDY IN REVIEW

The NWMO pursued the best knowledge and understanding in its analysis and decision-making.

We were required by legislation to compare the risks, costs and benefits of management approaches based on at least three technical methods: deep geological disposal in the Canadian Shield; centralized storage above or below ground; and storage at nuclear reactor sites. In addition, we developed and assessed a fourth approach, Adaptive Phased Management. We directed significant effort to designing an assessment framework that would allow us to conduct a comprehensive and balanced comparative assessment of a broad range of costs, benefits and risks associated with the four options in our search for the most appropriate management option for Canada's used nuclear fuel.

Our assessment of the options benefited from a vast base of technical, engineering and financial research conducted in Canada and around the world over the last 50 years. We drew on the best available knowledge in assessing the management approaches, and in developing our recommendation. Our development of an assessment framework and our analysis of the options were assisted by the contributions of a diversity of specialists, international reviewers and a process of peer review of our commissioned work.

With the contributions of specialists and input from citizens, we sought to develop a recommendation that would be socially acceptable, technically sound, environmentally responsible and economically feasible. These pillars of sustainable development were reflected in the range of background papers that we commissioned as a first step in creating an information foundation for the study. The papers addressed such areas as health and safety, science and the environment, social and ethical dimensions, financial considerations and technical methods. We explored guiding concepts and issues of institutions and governance. Our information base was expanded as the public and Aboriginal peoples contributed knowledge and insight and identified other information requirements.



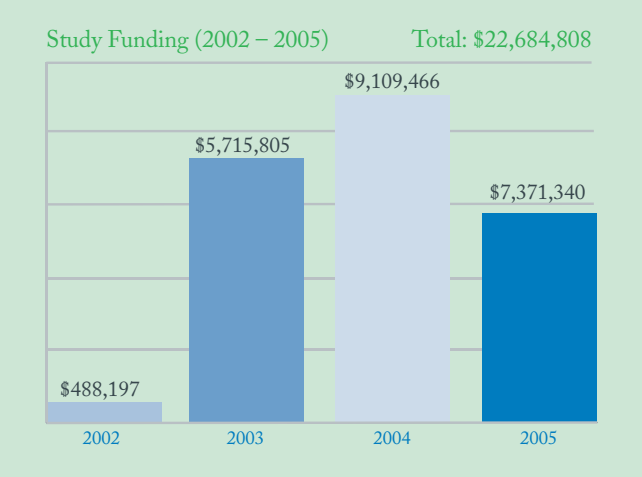
Our study reflects the input of the many Canadians who contributed. Our recommendations are responsive to shared understandings, values and priorities as expressed by participants in the process.

## THE STUDY IN REVIEW

Ethical and social considerations were assigned significant importance in our assessment of the options. We looked to citizens to identify the values and principles that would form the foundation for the analysis. Our understanding of societal expectations was enhanced by ongoing dialogue. The Roundtable on Ethics helped make explicit, and ensure the systematic integration of, ethical considerations in the development and applications of the analytical framework.

The NWMO assigned a high priority to governance and accountability of its operations. Our study was conducted between the fall of 2002 and the fall of 2005. From the outset, we undertook to establish strong governance practices, policies and procedures appropriate to our mandate. They form a foundation upon which the NWMO will evolve as the organization's mandate changes. Our Board of Directors, our Advisory Council and our internal operations were guided by our statutory obligations under the *NFWA*. We were always mindful of the statement of vision, mission and values which we adopted soon after our establishment.

The nuclear energy corporations, Ontario Power Generation, Hydro-Québec and NB Power Nuclear, made available more than \$24-million to conduct the three-year study. Of this, we expended \$22.6-million between October 2002 and December 2005. The organization was ever mindful of its responsibility and accountability for these substantial resources. The financial provisions made it possible for us to realize our vision for our programs of engagement and analysis in undertaking the study.



## LOOKING AHEAD

In fall 2005, the NWMO initiated the development of its business plan for 2006, a period of transition during which the Government of Canada will review the *Final Study* and formulate its response.

The NWMO will not begin the next phase of its corporate mandate until after the government decides on a management approach. During this period of government review, we will focus on compliance with the *Nuclear Fuel Waste Act (NFWA)* and preparedness for implementation. Siting and other implementation activities will not begin until after the government decision.

Our 2006 workplan is summarized below.

### A Focus on Compliance

#### Continuing Obligations Under the *Nuclear Fuel Waste Act (NFWA)*

The *NFWA* extends a number of statutory responsibilities to the NWMO. For example, the legislation sets out ongoing reporting requirements through the issuance of an annual report to government which is tabled in Parliament. It represents an important component of our formal public record of accountability. We must continue to meet our due diligence requirements associated with corporate governance and the continued oversight of the NWMO by the Minister of Natural Resources Canada.

In addition, there are specific requirements of the *NFWA* which guide our 2006 workplan. In the first annual report following a government decision the NWMO must provide detailed financial information on the management approach selected, the total cost, financial guarantees, the budget forecast for the

upcoming fiscal year, the formula for calculating that amount, and the level of deposits required by the major waste owners to their respective nuclear fuel waste trust funds. The latter two aspects will be subject to the review and approval of the Minister of Natural Resources Canada.

As the government reviews the study and recommendations in 2006, the NWMO will provide support as may be requested through briefings of officials, parliamentarians and standing committees.

## LOOKING AHEAD

### Corporate Governance Responsibilities

The NWMO has ongoing governance and operational responsibilities in 2006. The Board of Directors and Members will continue to meet and provide corporate oversight. The Advisory Council will also continue to convene meetings. The NWMO will maintain its regular reporting function.

We will also be preparing to make the transition to an agency that will implement the approach selected by the government. The Board of Directors and member organizations will undertake a review to ensure that an appropriate framework of governance, resources, policies and procedures are in place to implement the management approach. The Board and Members will address the NWMO's general by-law and the Membership Agreement to reflect the shift in focus and change in legislated responsibilities associated with implementation. The

President will lead an organizational review to ensure that the NWMO has the required expertise and capability to assume its new and expanded responsibilities. The Board and President will ensure that the NWMO's policies, practices and internal controls are designed to manage implementation in accord with best practices. The Board will also consider the most appropriate composition of the Advisory Council for the NWMO's early phase of implementation.

### A Focus on Preparedness

#### Maintaining Relationships

During this period of transition, the NWMO will sustain its external communications. Our website will remain an important communication tool. We will continue posting newsletters and updates to keep the public apprised of our activities. Our study research and documentation and submissions will remain on the website.

Ongoing communication will be important as we seek to maintain relationships with the broad cross-section of communities of interest that we have come to know over the course of the study. We will continue to be responsive to requests for meetings and briefings. We will also continue to review and consider public submissions and comment as we prepare to implement the management approach chosen by government.

## LOOKING AHEAD

### Assimilating Knowledge; Taking Stock of Lessons Learned

2006 presents an opportunity for reflection and review – for drawing on the breadth of information available to help inform implementation. As we prepare for this next important phase of work the transition period provides time to take stock of what was most effective and how we might improve in the future.

As part of our search for best practices and continuous improvement, the NWMO will undertake a review of the public engagement tools used to date and consider which are most appropriate for moving forward. We will review the comments of Canadians with a view to improving how we operate and interact with the interested public. We will also review the structure of our website and consider opportunities for its improvement.

The NWMO intends to take into account the specific recommendations made by the Advisory Council in its final report on our study. And we will continue to monitor evolving regulatory requirements that will impact how we proceed with safety and environmental assessments in future stages of our work.

The NWMO has much to learn from past experiences of siting and operating nuclear and other large projects in Canada and abroad. Our review of broad issues and best practices concerning public engagement, local involvement and collaborative decision-making will enable us to move quickly and assuredly in implementing the government's chosen approach for managing used nuclear fuel.

We will also continue to monitor research. Such review will provide insight which will contribute to the eventual development of implementation plans and a siting process. Our participation in international exchanges of social research will keep us abreast of the best public engagement and stakeholder involvement mechanisms. We will also stay current on developments in scientific, engineering and environmental aspects of waste management technologies. These activities will help us identify areas in which additional research may be required.

All of our work during the transition period will help further develop and maintain the foundation we are building for implementation and allow us to initiate the second phase of our mandate in a timely way following the government's decision.

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The Advisory Council >

The Trust Funds >

The Corporate Profile >

The *Nuclear Fuel Waste Act* requires the Advisory Council to examine and provide written comments on the NWMO's study and the proposed management approaches. The NWMO must submit the Council's comments to the Minister of Natural Resources Canada, and make those comments available to the public.

## THE ADVISORY COUNCIL

### Operations

The *Nuclear Fuel Waste Act* (*NFWA*) requires that an Advisory Council to the NWMO be established to review and provide comment on specific aspects of NWMO's plans and operations. Following the requirements of the *NFWA*, the NWMO's Board of Directors established the Advisory Council in fall 2002. Membership of the Council is presented on page 57.

In addition to fulfilling its statutory role, the Advisory Council has agreed to assume a second important role of providing guidance and advice to the NWMO on its work on a continual basis, in the interest of assuring that the NWMO undertakes the best possible processes.

In support of its statutory responsibilities set out in the *NFWA*, the Advisory Council regularly convenes private sessions, without the presence of the NWMO, for deliberations among members and the development of independent comments on the NWMO work. In preparing to examine and give written comment on the NWMO's activities, members

of the Advisory Council have undertaken to meet regularly with NWMO management and receive regular updates on the NWMO activities.

- Council requests that the NWMO keep members informed about the overall status of the study and work of the organization. The NWMO provides the Council with oral reports on its work at each Council meeting. In addition, the NWMO issues monthly progress reports on its work, and weekly updates on activities in other jurisdictions.
- Council members regularly identify issues or questions that they would like the NWMO to address in support of their independent role in commenting on the NWMO's workplan. Council members pursue a range of social and technical issues in discussion with the NWMO.
- The Chair of the Advisory Council has direct access to the Board's deliberations at all of its meetings, enabling both the Board and Council to be fully informed about each other's thinking as it evolves. Each year, Board and

Advisory Council members exchange views informally.

In providing the NWMO with ongoing guidance on the organization's work, the Council convenes regularly with the NWMO to support full discussion of the organization's workplan and findings. The Advisory Council follows the NWMO's work closely, offering ongoing review and constructive comment so that the organization may respond to Council advice as the process unfolds. Drawing from their experience in federal and provincial government, municipal politics, academia, community involvement, non-profit organizations and the private sector, members of Council take very seriously their mandate. For example, the Advisory Council:

- Advises on the breadth, focus and structure of NWMO's engagement plans and seeks to ensure that the views of the public and communities of interest are considered and are reflected in a thoughtful, balanced way in the reports, proposals and plans of the NWMO;
- Observes some public dialogues to hear first-hand the comments made;

## THE ADVISORY COUNCIL

- Assists the NWMO in ensuring that its processes are of good quality and are open, transparent, thorough and sound; and
- Regularly comments on the manner in which the NWMO discharges its responsibilities.

The Sub-Committee on Aboriginal Engagement, established by Council, is charged with reviewing and guiding the NWMO's implementation of its Aboriginal engagement program. The Sub-Committee advises the NWMO on the development of its engagement plans, receives ongoing progress updates on the design of NWMO-led initiatives, and reviews the reports from the Aboriginal dialogues. Sub-Committee members seek to ensure that the contributions of Traditional Aboriginal Knowledge are reflected in NWMO work. Sub-Committee members are: the Honourable David Crombie (Advisory Council Chair), Mr. Donald Obonsawin and Dr. Frederick Gilbert.

The Council requests that formal minutes be taken at its meetings, and directs that the minutes of the proceedings be made public through posting on the NWMO website [www.nwmo.ca/advisorycouncil](http://www.nwmo.ca/advisorycouncil). Background on the Council membership is also maintained on the website.

The Advisory Council will continue to provide guidance to the NWMO, and has important statutory responsibilities for the next phase of NWMO's operations. Specifically, the *NFWA* requires the Advisory Council to examine and provide comments on the

NWMO's triennial reports that the organization must submit to the Minister of Natural Resources Canada in the years following a government decision on a management approach.

As the NWMO work evolves from a study to implementation, the composition of the Advisory Council will be reviewed to ensure that it includes the appropriate range of knowledge, expertise and perspectives.

*The Nuclear Fuel Waste Act (NFWA)* requires the Advisory Council to examine and provide written comments on the NWMO's triennial reports which are prepared for submission to the Minister of Natural Resources Canada.

In providing comment on NWMO's triennial reports, the *NFWA* specifies that the Advisory Council must address the NWMO's activities for the previous three years, including the results of the organization's public consultations and analysis of any significant socio-economic effects of its activities.

The Advisory Council must comment on the NWMO's five-year strategic plans and budgets for implementing the management approach selected by the federal government.

The NWMO must submit the Council's comments to the Minister, and make those comments available to the public.



## THE ADVISORY COUNCIL

### Activities in 2005

During 2005, the Advisory Council held nine formal meetings. Council members also convened private sessions, informal discussions and conference calls between meetings.

### Statutory Responsibilities

An important focus for the Advisory Council in 2005 was fulfillment of its statutory obligations under the *NFWA* to develop its independent comments on the NWMO study and the management approaches proposed by the NWMO. Council members were conscious of preparing for and reflecting this independence in their operations in 2005.

- Council members devoted significant time to discussing and preparing its independent comments. Numerous in camera sessions were held for private deliberation amongst members without the presence of NWMO staff or management.
- The Council requested regular briefings and progress reports from NWMO management on the analytical work supporting the assessment of management

approaches. The NWMO's work plans relating to the assessment of management approaches were presented to the Advisory Council for their review and comment. Specifically, the Council received members of the Assessment Team to discuss their methodology and findings from the preliminary assessment of options.

- Members continued to review the NWMO's assessment of management approaches through each phase of analysis and public dialogue, and the methodological processes underpinning our analysis. As the NWMO's analytical work continued in 2005, Council members examined the findings of the comparative assessment of costs, benefits and risks of the management approaches, and the work commissioned by the NWMO to examine possible means for addressing socio-economic impacts. Council continued to monitor and advise on the way in which the NWMO addressed social and ethical dimensions of the study.
- The Advisory Council was briefed on the development of the NWMO's recommended approach, Adaptive Phased Management. Council members tabled information requests with the NWMO and raised issues for NWMO response relating to the study of management approaches.
- The Council requested regular briefings and progress reports on findings from engagement with the public and Aboriginal peoples. The NWMO regularly reviewed with the Council the comments received through public dialogues, meetings and submissions. The Subcommittee on Aboriginal Engagement followed the comments received through the dialogue led by Aboriginal organizations and provided direction to the NWMO on its engagement processes. Together, Council and the NWMO considered the best ways to address these comments in the development of a management approach.
- The Advisory Council continued to follow the benchmarking of public opinion, and received briefings on the methodology and findings from the research firms conducting the surveys.

## THE ADVISORY COUNCIL

- In addition to receiving regular briefings from the NWMO on public comments, some Council members attended NWMO's public engagement activities to witness the range of issues, concerns and suggestions raised.
- The Advisory Council continued to receive guest presentations in 2005 as a means of understanding the breadth of perspectives on the issue of long-term management of used nuclear fuel.

The Advisory Council participated in meetings with Natural Resources Canada, the federal department with oversight responsibility for the NWMO. In January 2005, a Council member joined the NWMO in a meeting with the Minister and reported on how the Council was fulfilling its mandate under the *NFWA*. The Advisory Council wrote to the Minister in March 2005 with its own reflections on the NWMO's activities over the past year. Staff from Natural Resources Canada initiated a meeting with the Advisory Council in March 2005 for an update on how the Council was fulfilling its legislative mandate. In November 2005 the Council Chairman presented the Advisory Council perspectives on the NWMO study to the Minister of Natural Resources Canada as NWMO submitted its *Final Study*.

The Council Chair addressed the Standing Committee on Environment and Sustainable Development in November. Other Advisory Council members presented the Council's perspective on the NWMO study at public meetings and conferences.

### Ongoing Advice to the NWMO

The Advisory Council made important ongoing contributions in the form of advice and counsel on the NWMO's processes throughout 2005.

- At the request of the NWMO the Advisory Council provided advice on the structure of the NWMO workplan so that we would make the most effective use of our third year of study.
- We sought Council advice on the breadth, focus and design of our plans for engagement with the general public and Aboriginal peoples to support a broadly-based period of public review and comment on the NWMO's recommendation and *Draft Study Report*. Members continued to play an active role in advising the NWMO on its process for engaging Aboriginal peoples at the national, regional and local levels. Members supported the convening of an Elders' Forum and counseled the NWMO on the design of this activity which took place in August 2005.

## THE ADVISORY COUNCIL

- The Advisory Council assisted the NWMO throughout 2005 with advice on the organization's communications materials and reports. We asked the Advisory Council to review drafts of our *Annual Report*, *Draft Study Report* and *Final Study*, to suggest opportunities for enhancing the clarity, completeness and balance in reporting of the study findings. We asked the Council to advise on the structure and format of the documents to ensure they would be effective tools for public engagement. The Advisory Council reviewed the documents to ensure a full and accurate depiction of Council and NWMO activities and a balanced and comprehensive reporting of key issues from the general public and Aboriginal peoples.
- The Council's deliberations for 2005 concluded with some forward-looking discussion with the NWMO on the organization's work-plan for the upcoming fiscal year. The Council discussed with the NWMO its September 2005 report on the NWMO study and, in particular, Council's

recommendations for the NWMO's operations as it moves into the implementation phase of its mandate following a government decision.

The Advisory Council published a *Tracking Matrix* in 2005 which it had prepared to assist in tracking the NWMO's activities. The document provides an account of the Advisory Council's input into the range of issues on which the NWMO sought guidance. It also identifies areas in which the Advisory Council made suggestions or requests of the NWMO, and reports on the NWMO's response. This *Tracking Matrix* served as a resource to the Council in the preparation of its written comments on the NWMO study. In addition, it serves as a joint record of accountability for the Advisory Council and the NWMO. Council members directed the NWMO to publish the document to provide transparency in the nature of the NWMO/Advisory Council interaction over the three-year study period. The Advisory Council *Tracking Matrix* is available for review on the NWMO website at [www.nwmo.ca/actracking](http://www.nwmo.ca/actracking).

### The Advisory Council Report

#### Council's January 2005 Statement

Among the important achievements of the Advisory Council in 2005 was the publication of its statement on how it intended to review and prepare comments on the NWMO study and recommendation. In January, having given extensive thought to the criteria it would apply, Council published a statement signalling the considerations that would be used to guide its assessment: comprehensiveness, fairness and balance, integrity and transparency. The Council's statement is available at [www.nwmo.ca/acstatement](http://www.nwmo.ca/acstatement).

## THE ADVISORY COUNCIL

### THE ADVISORY COUNCIL'S APPROACH

In fulfilling its legislative obligations, the Advisory Council will offer written comments and observations on the work and study of the NWMO.

The Council will review and comment on the **comprehensiveness** of the NWMO study. Did it properly consider all of the available reasonable alternative approaches? Did it thoroughly cover the three required options? Does the report adequately address all of the elements stipulated in the legislation with respect to each of the options?

The Council will review and comment on the **fairness and balance** of the study. Has the analysis supporting the report given appropriate weight to all relevant evidence, neglecting none of significance? Does the study give adequate consideration to diverse points of view and recognize the interests of minority positions? Is there any evidence of bias or partiality in the analysis and recommendations? Does the recommended policy choice emerge logically out of the careful and considered weighing of the pros and cons of the respective alternatives?

The Council will review and comment on the **integrity of the NWMO process**. Did the process provide sufficient opportunity for public engagement? Were Aboriginal peoples, concerned stakeholders, and potentially or actually affected communities given real opportunities to make their views known? Were these views responsibly considered and appropriately taken into account? Were available sources of expertise and specialized experience sought out and utilized effectively? Were 'state of the art' processes of public consultation, ethical reflection, socio-economic analysis, technical and scientific study, financial forecasting, and impact assessment employed? Was international

comparative experience adequately considered?

The Council will review and comment on the **transparency of the process**. Did the NWMO make its plans and timetable clear to the interested public? Did it share information with citizens in a timely fashion so that they had the capacity to participate effectively in the process? Did it simplify technical data and complex scientific matters honestly and effectively to assist in the development of public understanding? Did the Organization allow sufficient time for comment, input and reaction from stakeholders and the general public?

In conclusion, there is one other issue that requires comment. The legislation is silent on the question of the quantity of nuclear fuel waste that is to be managed by the recommended approach. In its examination and selection of management approaches, the NWMO will have to address the matter of capacity, and therefore of quantity. How much nuclear waste is it assumed that any given management approach will be able to handle? This question is tied to the larger policy question of the future of nuclear energy in Canada.

The Advisory Council would be critical of an NWMO recommendation of any management approach that makes provision for more nuclear fuel waste than the present generating plants are expected to create, unless it were linked to a clear statement about the need for broad public discussion of Canadian energy policy prior to a decision about future nuclear energy development. The potential role of nuclear energy in addressing Canada's future electricity requirements needs to be placed within a much larger policy framework that examines the costs, benefits and hazards of all available forms of electrical energy supply, and that framework needs to make provision for comprehensive, informed public participation.

## THE ADVISORY COUNCIL

### Council's Report on the NWMO Study

In 2005, in accordance with the *NFWA*, the Advisory Council developed and presented its independent comments on the NWMO study in a paper entitled *Nuclear Waste Management Organization Advisory Council, Final Report*. This document was subsequently published in the NWMO's *Final Study* that was submitted to the Minister of Natural Resources Canada, and made public, in November 2005.

In its report, the Advisory Council provides an account of its activities and its observations on how the NWMO discharged its mandate. The Council reviews its processes undertaken to assess the work of the NWMO through the three years of study, the Council's relationship with the NWMO, and Council's approach to the evaluation of NWMO's study. The report includes Council's comments on the NWMO's process based on its evaluation of the NWMO's engagement with the public and Aboriginal peoples, the assessment process of management options, and the professional expertise incorporated into the study. The Advisory Council also provides

its findings with respect to the NWMO's proposed Adaptive Phased Management.

The Council report concludes with a review of considerations and final thoughts, drawing on members' experiences and observations over the three-year study period. Council's comments on matters of engagement, future governance of the organization,

and implementation considerations will provide important guidance to the NWMO as it prepares to assume its implementation mandate.

The full Advisory Council *Final Report* is available for review at [www.nwmo.ca/advisorycouncil](http://www.nwmo.ca/advisorycouncil).

### ADVISORY COUNCIL COMMENTS ON THE NWMO RECOMMENDATION

#### Support for Adaptive Phased Management

The NWMO has made a thorough assessment of the three options mandated by the *Nuclear Fuel Waste Act* and developed an improved approach - Adaptive Phased Management (APM). Each of the four options studied by the NWMO has been shown through extensive analysis to possess various combinations of risks and benefits, from both a technical and a social perspective.

Our review of the risks and benefits associated with each option confirms that APM is the best of the options because it provides Canadians with a comprehensive road-map for dealing responsibly with Canada's existing nuclear wastes. It retains major advantages of the original three options and minimizes risks and disadvantages. Recognizing that we are currently in the middle of the 40/50 year expected life span of existing nuclear reactors, APM provides a mechanism for a portion of their revenue to be allocated to dealing with their wastes, while not foreclosing on choices properly left to the best judgment of succeeding generations. APM also engages the Canadian public at key decision points along the way and provides a process to allow the NWMO to adapt the management system so that it achieves a socially acceptable standard of safety.

THE TRUST FUNDS

The *Nuclear Fuel Waste Act (NFWA)* assigns responsibility to the major owners of used nuclear fuel for the financing of its long-term management.

Under the *NFWA*, Ontario Power Generation Inc., New Brunswick Power Corporation (NB Power), Hydro-Québec and Atomic Energy of Canada Limited are required to establish trust funds into which they must make annual payments. The *Act* specifies the amounts of the required payments for each company.

The NWMO may have access to these funds only for the purpose of implementing the management approach selected by the Government once a construction or operating licence has been issued under the *Nuclear Safety and Control Act (NSCA)*.

With the contributions made by the four corporations in 2005, deposits to the trust funds since their establishment in fall of 2002 now total \$880 million.

These legislative obligations are the responsibilities of the individual companies named, and not the responsibility of the NWMO. The trust funds

2005 CONTRIBUTIONS

In 2005, consistent with the *Nuclear Fuel Waste Act*, the four corporations made further contributions to their respective trust funds in the amounts indicated below:

ONTARIO POWER GENERATION INC.	\$100,000,000
HYDRO-QUÉBEC	\$4,000,000
NEW BRUNSWICK POWER CORPORATION	\$4,000,000
ATOMIC ENERGY OF CANADA LIMITED	\$2,000,000

are noted here because of their significance in the overall provision for long-term nuclear waste management.

As required by the *NFWA*, the NWMO makes public the audited financial statements of the trust funds when they are provided by the financial institutions annually. They are posted at [www.nwmo.ca/trustfunds](http://www.nwmo.ca/trustfunds).

The *NFWA* specifies that contributions to the trusts are to continue at the present rate until the first *Annual Report* on funding requirements is provided by the NWMO to Natural Resources Canada, after a decision has been made on which management approach is to be implemented.

Once a decision has been made by the federal government on the appropriate management approach for all nuclear waste owners, the funding formula will then allocate liabilities to each nuclear waste owner for their portion of the estimated total cost of the management approach. The funding formula, as presented in the NWMO's *Annual Report* following a government decision on an approach, will be subject to Ministerial approval.

Contributions will be adjusted periodically to reflect updated projections of overall costs of the management approach and the number of fuel bundles to be produced by each used fuel owner. Trust fund contributions to be made by each used fuel owner will be presented as part of each *Annual Report* following the decision by the federal government.

NWMO'S MEMBERS ARE:  
ONTARIO POWER GENERATION INC.  
HYDRO-QUÉBEC  
NB POWER NUCLEAR

## THE CORPORATE PROFILE – THE CORPORATION

### The Corporation

#### Legislative Underpinnings

The Nuclear Waste Management Organization (NWMO) operates as a not-for-profit corporation under Part II of the *Canada Corporations Act*.

Its mandate is defined in the *Nuclear Fuel Waste Act (NFWA)*, brought into force November 15, 2002.

The *NFWA* requires the major owners of nuclear fuel waste to establish the waste management organization to:

- Propose approaches for the management of nuclear fuel waste to the Government of Canada; and
- Implement the approach that is chosen by the Government of Canada.

Under the *NFWA*, the NWMO is to study approaches based on the following technical methods, at a minimum:

- Deep geological disposal in the Canadian Shield;<sup>1</sup>
- Storage at nuclear reactor sites; and
- Centralized storage, either above or below ground.

The NWMO may study other methods as well.

The *NFWA* provides a three-year timeline within which the NWMO is to complete its public consultations and submit its study and recommendations to the Minister of Natural Resources Canada, and simultaneously make it public. In conducting the study, and proposing approaches for managing Canada's used nuclear fuel, the NWMO is required to consult the general public, and in particular Aboriginal Peoples, on each of the proposed approaches.

<sup>1</sup> Based on the concept described by Atomic Energy of Canada Limited (AECL) in the *Environmental Impact Statement on the Concept for Disposal of Canada's Nuclear Fuel Waste* and taking into account the views of the environmental assessment panel set out in the *Report of the Nuclear Fuel Waste Management and Disposal Concept Environment Assessment Panel*, dated February 1998.

## THE CORPORATE PROFILE – THE CORPORATION

In future phases, the NWMO is to carry out the managerial, financial and operational activities to implement the long-term management of nuclear fuel waste.

The *NFWA* assigns financial responsibility to the nuclear energy corporations through the obligation to establish and fund the NWMO's operations and study. Accordingly, Ontario Power Generation Inc., NB Power and Hydro-Québec were founding members of the NWMO and, under the *NFWA*, must remain members of the organization. Consistent with their statutory obligations, these member companies developed formal cost-sharing provisions for the NWMO's annual operating budget. Jointly, these corporations developed the underlying governance structures for the NWMO.

In November, 2005, NWMO's member corporations approved cost-sharing arrangements for NWMO's annual operating funds for the transition, the period of time following the submission of the NWMO study in November 2005 and preceding a decision by the Government of Canada.

The *NFWA* mandates federal government oversight of the NWMO. The NWMO must submit annual reports to the Minister of Natural Resources, and is required to make these reports available to the public.

You can read more about the *Nuclear Fuel Waste Act* and the NWMO's legislated mandate on our website, at [www.nwmo.ca/mandate](http://www.nwmo.ca/mandate).

### Operations

At the end of the 2005 financial year, the NWMO was operating with a full-time complement of 12 individuals, including the President.

THE HEAD OFFICE OF THE NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO) IS LOCATED AT 49 JACKES AVENUE, FIRST FLOOR, TORONTO, ONTARIO, M4T 1E2.



## THE CORPORATE PROFILE – THE BOARD OF DIRECTORS

### The Board of Directors

The *Nuclear Fuel Waste Act (NFWA)* requires Canada's nuclear energy corporations to establish the NWMO. The composition of the NWMO Board of Directors is consistent with the *NFWA*, reflecting the Government of Canada's "polluter pay" principle.

The NWMO's Board of Directors is currently composed of five directors who represent Canada's three main producers of used nuclear fuel – Ontario Power Generation Inc., Hydro-Québec and NB Power Nuclear.

The Board is responsible for the oversight of the corporation and taking a leadership role in the development of the corporation's strategic directions.

In early 2005 the Board reviewed and approved the 2004 audited financial statements. These were presented to the NWMO Members at the Members' annual general meeting in June. The Board received regular updates on the organization's expenditures in 2005. Management also provided regular updates on the NWMO's progress in executing its 2005 business plan. In fall 2005 the Board addressed the workplan and

budgetary requirements for the upcoming year and approved a business plan for the 2006 fiscal year. As part of the Board's forward planning it initiated discussion about necessary amendments to governing documents that will be required to support the NWMO's transition to the next phase of its mandate, following a government decision. In considering the future governance of the NWMO as it becomes an implementing agency, the Board investigated models adopted by similar organizations in some other countries, to gain international perspective on possible processes and structures.

Throughout the year, the President briefed the Board on the comparative assessment of management approaches as it continued in 2005, and the initiatives planned to engage Canadians in dialogue about the work of the NWMO. Board members were updated on the comments of Canadians and the input received through NWMO's engagement of specialists and citizens. Through regular briefings, the NWMO ensured that the Board was informed of the development of the recommended management approach, and the preparation of

the *Draft Study Report* issued in May 2005. The NWMO briefed the Board on comments received from the public and Aboriginal people on the recommendation through its public dialogues. Directors were kept informed of the organization's development of the *Final Study*. In fall 2005, the Board of Directors approved the *Final Study* for submission to the Minister of Natural Resources Canada.

The Board received regular reports on the work of the Advisory Council and in September received the Council's final report on the NWMO study.

The Board convened nine meetings in 2005. In addition, the Board met periodically during the year with the Advisory Council. The Board directs that the minutes of its meetings be posted on the NWMO's corporate website ([www.nwmo.ca/board](http://www.nwmo.ca/board)).

By resolution of the Board of Directors made on March 30, 2005, Mr. Nash was appointed Board Chairman, replacing Mr. Dicerni who resigned from the Board in March, 2005.

The Board's Audit, Finance and Risk Committee is comprised of three members of the

## THE CORPORATE PROFILE – THE BOARD OF DIRECTORS

Board of Directors: Mr. Long (Chair), Ms. Malo and Mr. Rhéaume. The Committee convened five meetings in 2005.

The Committee provided oversight of the external audit of the NWMO's 2004 financial statements. It advised on the selection of the external auditors and terms of the audit service plan, and met with the external auditors to discuss the audit findings. Members reviewed potential areas of business risk for the organization, as well as ways to identify and manage those risks. Committee members reviewed the NWMO's governing documents, policies and procedures. Through their reviews, members confirmed the appropriateness of the governing framework for the organization in its current mandate, noting that internal controls and the governance framework would require ongoing review and amendment as the NWMO assumed new and expanded operating mandates in future. The Committee reviewed in-year budget projections, quarterly financial statements and key elements proposed by the President for the 2006 Business Plan in advance of presentation to the Board of Directors. The Committee regularly reported to the Board of Directors on its review of audit, financial and risk matters.

## Board of Directors



**KEN NASH, CHAIRMAN**  
Vice President  
Nuclear Waste Management  
Ontario Power Generation Inc.



**ADÈLE MALO**  
Vice President, Law & General  
Counsel; Vice President,  
Sustainable Development  
Ontario Power Generation Inc.



**Laurie Comeau**  
Manager, Personnel Safety  
and Environment  
Point Lepreau Generating  
Station, NB Power Nuclear



**MICHEL R. RHÉAUME**  
Licensing Manager  
Gentilly-2  
Refurbishment Project  
Hydro-Québec



**FRED LONG**  
Vice President  
Financial Planning  
Ontario Power Generation Inc.

## Officers

**ELIZABETH DOWDESWELL**  
President

**FRED LONG**  
Treasurer

**KATHRYN SHAVER**  
Corporate Secretary

*Richard Dicerni, former Board Chairman, resigned from the Board effective March 24, 2005.*

## THE CORPORATE PROFILE – THE ADVISORY COUNCIL

### The Advisory Council

Pursuant to the *Nuclear Fuel Waste Act (NFWA)*, the NWMO established an independent Advisory Council in 2002. It is composed of individuals knowledgeable in nuclear waste management issues and experienced in working with citizens and communities on a range of difficult public policy issues.

The *NFWA* mandates the Advisory Council to examine and provide to the NWMO its independent written comments on the study and the approaches proposed by the NWMO, as well NWMO's triennial reports. Advisory Council comments provided to the NWMO must be included in the NWMO's study and triennial reports that are submitted to the Minister of Natural Resources and made public.

In addition to the legislated responsibilities, the Advisory Council makes important contributions to the organization through its ongoing advice and guidance to the NWMO Board of Directors and the President.

Council members are appointed for four-year terms. There are currently nine members of the Advisory Council.

### Members of the Advisory Council are:



**HONOURABLE DAVID CROMBIE  
- CHAIRMAN**

The Honourable David Crombie is the current President and CEO of the Canadian Urban Institute and Chair of Ontario Place. He is a past mayor of the City of Toronto and a Privy Councillor. Mr. Crombie was the first Chancellor of Ryerson University and is the recipient of honorary doctorates of law from the University of Toronto and the University of Waterloo. Mr. Crombie is an Officer of the Order of Canada.



**DAVID CAMERON**

David R. Cameron is a Professor of Political Science at the University of Toronto and a Fellow of the Royal Society of Canada. He has held a number of senior government positions in both the federal and Ontario civil services. He

continues to advise on a wide range of governmental issues.



**HELEN COOPER**

Helen Cooper has devoted most of her professional career to strategic planning and development for broader public sector and not-for-profit organizations. She has practised as a mediator and adjudicator in dispute resolution and has taught courses in urban planning at both Queen's University and the University of Waterloo. She is a former mayor of Kingston, Ontario and a former president of the Association of Municipalities of Ontario.



**GORDON CRESSY**

Gordon Cressy is the President of the Canadian Tire Foundation for Families. A past President of the United Way of Greater Toronto, he has held Vice-President positions at both the University of Toronto and Ryerson University. Mr. Cressy has a lengthy record of community involvement.

## THE CORPORATE PROFILE – THE ADVISORY COUNCIL

**FREDERICK GILBERT**

Frederick Franklin Gilbert is the President of Lakehead University in Thunder Bay, Ontario. He has had an extensive teaching, research and administrative career in the United States and Canada and has held several environmental and wildlife management public service appointments and positions. His research interests included resource management and the sustainable use of the natural environment.

**DEREK LISTER**

Derek Lister is the Chairman of the Chemical Engineering Department at the University of New Brunswick in Fredericton, where he also holds the Research Chair in Nuclear Engineering. His main research interests are in the areas of chemistry and corrosion associated with nuclear systems.

**DANIEL ROZON**

Daniel Rozon is a retired Professor of Engineering Physics at l'École Polytechnique de Montréal. A fellow of the Canadian Nuclear Society, he is a specialist in reactor physics, with research interests in nuclear fuel management optimization. He was the director of the Nuclear Engineering Institute (l'Institut de genie nucléaire) for more than 15 years.

**EVA LIGETI**

Eva Ligeti is the Executive Director of the Clean Air Partnership, a non-profit organization with a mandate to make Toronto more environmentally sustainable and a world leader in clean air. A lawyer, she served as Ontario's first Environmental Commissioner from 1994 to 1999.

**DONALD OBONSAWIN**

Donald Obonsawin is the President and CEO of Jonview Canada Inc. He has been Deputy Minister of seven Ontario government ministries over a 15-year period. He has also held senior positions with the federal departments of Indian Affairs and Northern Development and Health and Welfare Canada.

AUDITORS' REPORT, FINANCIAL STATEMENTS & NOTES

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Financial Statements of the Nuclear Management Organization (NWMO) are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it considers most appropriate. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to January 27, 2006.

Management maintains a system of internal controls which are designed to provide reasonable assurance that financial information is relevant, reliable and accurate and that assets are safeguarded and transactions are executed in accordance with management's authorization. The system is monitored and evaluated by management.

The financial statements have been examined by Deloitte & Touche, LLP, independent external auditors appointed by the Members. The external auditors' responsibility is to express their opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of their examination and their opinions.

February 28, 2006



Elizabeth Dowdeswell  
President



Fred Long  
Treasurer

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## AUDITORS' REPORT

To the Directors of the  
Nuclear Waste Management Organization

We have audited the statement of financial position of Nuclear Waste Management Organization (NWMO) as at December 31, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of NWMO's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of NWMO as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
Toronto, Ontario  
January 27, 2006

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position

AS AT DECEMBER 31, 2005	2005	2004
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and Cash Equivalents	\$ 980,472	\$ 2,566,966
Accounts Receivable (NOTE 4)	1,232,421	187,250
Prepaid Expenses and Deposits	12,805	10,200
	2,225,698	2,764,416
<b>CAPITAL ASSETS (NOTE 3)</b>	89,348	159,774
	\$ 2,315,046	\$ 2,924,190
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accruals (NOTE 4)	\$ 917,120	\$ 2,117,291
Payable to Members (NOTE 5)	-	61,591
Member Over-Contributions Payable (NOTE 6)	1,308,578	-
	\$ 2,225,698	\$ 2,178,882
<b>COMMITMENT (NOTE 8)</b>		
<b>NET ASSETS</b>		
Invested in Net Capital Assets	\$ 89,348	\$ 159,774
Internally Restricted (NOTE 6)	-	585,534
	89,348	745,308
	\$ 2,315,046	\$ 2,924,190

APPROVED BY THE BOARD OF DIRECTORS, FEBRUARY 28, 2006:

K. E. Nash

KEN NASH, CHAIRMAN, TORONTO, CANADA



FRED LONG, DIRECTOR, TORONTO, CANADA

STATEMENT OF OPERATIONS & STATEMENT OF CHANGES IN NET ASSETS

Statement of Operations

YEAR ENDED DECEMBER 31, 2005	2005	2004
<b>REVENUE</b>		
Member Contributions (NOTE 4)	\$ 8,000,000	\$ 8,000,000
Interest Income	23,958	20,037
	\$ 8,023,958	\$ 8,020,037
<b>EXPENDITURE</b>		
Administration (NOTE 4)	\$ 2,594,202	\$ 2,210,395
Stakeholder Consultation & Communications	3,571,324	4,569,392
Research and Analysis	828,759	2,033,016
Advisory Council	295,131	217,986
Amortization	78,874	78,677
Loss on Disposal of Assets	3,050	-
	\$ 7,371,340	\$ 9,109,466
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<b>\$ 652,618</b>	<b>\$ (1,089,429)</b>

Statement of Changes in Net Assets

YEAR ENDED DECEMBER 31, 2005	2005			2004	
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 159,774	\$ 585,534	\$ -	\$ 745,308	\$ 1,834,737
<b>USE OF RESTRICTED FUNDS TO SUPPLEMENT THE 2005 BUDGET</b>	-	(585,534)	585,534	-	-
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE</b>	(78,874)	-	731,492	652,618	(1,089,429)
<b>INVESTED IN CAPITAL ASSETS</b>	8,448	-	(8,448)	-	-
<b>REFUNDABLE TO MEMBERS (NOTE 6)</b>	-	-	(1,308,578)	(1,308,578)	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 89,348</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,348</b>	<b>\$ 745,308</b>



STATEMENT OF CASH FLOWS

Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2005	2005	2004
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Cash received from member contributions	\$ 7,379,979	\$ 10,402,223
Interest received on short-term investments	23,958	20,037
	\$ 7,403,937	\$ 10,422,260
Cash paid for materials and services	(8,981,983)	(8,679,981)
	\$ (1,578,046)	\$ 1,742,279
INVESTING		
Purchase of capital assets	(8,448)	(32,097)
NET (DECREASE) INCREASE IN CASH AND SHORT-TERM INVESTMENTS	(1,586,494)	1,710,182
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,566,966	856,784
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 980,472	\$ 2,566,966

## NOTES TO THE FINANCIAL STATEMENTS

### I. PURPOSE OF ORGANIZATION

Nuclear Waste Management Organization (NWMO) is a not-for-profit corporation without share capital, established under the Canada Corporations Act, 1970 (“the Act”), as required by the *Nuclear Fuel Waste Act (Canada), 2002 (NFWA)* which came into force November 15, 2002.

The *NFWA* requires electricity-generating companies which produce used nuclear fuel to establish a waste management organization. In accordance with the *NFWA*, the NWMO established an Advisory Council, conducted a study and provided recommendations on the long-term management of used nuclear fuel to the Government of Canada. The results of the study and the recommendations were submitted in November 2005. As part of the long-term mandate, the NWMO must implement and operate the management approach that is selected by the Government of Canada to address used nuclear fuel.

The NWMO formally began operations on October 1, 2002. Its founding members are Hydro-Québec, NB Power, and Ontario Power Generation Inc., (“Members”) – which are Canadian companies that currently produce used nuclear fuel as a by-product of electricity generation.

Pursuant to a Membership Agreement, the costs of the NWMO are shared pro rata by the Members based on the number of used fuel bundles owned by each member.

Following the Government of Canada’s selection of a management approach for used nuclear fuel, NWMO members must review, amend and restate the NWMO by-law to reflect the objects and responsibilities of NWMO as it assumes an implementation mandate. The amended and restated by-law will require the unanimous approval of the NWMO members and the approval of the Minister of Industry Canada.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

These financial statements of NWMO are the representations of management prepared in accordance with accounting standards for not-for-profit organizations established by the Canadian Institute of Chartered Accountants using the deferral method of reporting restricted contributions. The significant accounting policies adopted by NWMO are as follows:

### Capital assets

Capital assets are recorded at cost. Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Furniture	7 years
Computer equipment	3 years

### Cash and cash equivalents

Cash equivalents represent short-term investment funds deposited in a money market account.

### Income tax

The NWMO is a not-for-profit organization and, pursuant to section 149(1)(1) of the *Income Tax Act*, is not subject to income tax.

### Fair value of financial instruments

The carrying values of cash, accounts receivable and accounts payable and accruals approximate the fair values on a discounted cash flow basis because of the near term nature of these instruments.

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

### 3. CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture	\$ 93,517	\$ 33,114	\$ 60,403	\$ 70,826
Computer Equipment	217,588	188,643	28,945	88,948
	\$ 311,105	\$ 221,757	\$ 89,348	\$ 159,774

### 4. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions during the year	2005	2004
Contributions received and/or due from		
Ontario Power Generation Inc.	\$ 7,300,000	\$ 7,300,000
NB Power	350,000	350,000
Hydro-Québec	350,000	350,000
Products and services acquired from		
Ontario Power Generation Inc.		
Managerial services	1,175,839	904,527
Balances outstanding		
Due to Ontario Power Generation Inc. (included in accounts payable and accruals)	334,323	204,591
Amounts due from and included in accounts receivable		
Ontario Power Generation Inc.	1,045,171	-
NB Power	93,625	93,625
Hydro-Québec	93,625	93,625

5. PAYABLE TO MEMBERS

	2005	2004
Balance, beginning of year	\$ 61,591	\$ -
Excess payment by member	-	61,591
	61,591	61,591
Less amount refunded to members	(61,591)	-
Balance, end of year	\$ -	\$ 61,591

6. MEMBER OVERCONTRIBUTIONS PAYABLE

As described in Note 1, NWMO is awaiting the selection by the Government of Canada of a management approach in respect of the long-term management of used nuclear fuel. Accordingly, the Board has confirmed that NWMO has credited the Members with the over contributions made by them (referred to as "Internally Restricted" funds in the 2004 audited financial statements), in accordance with the terms of the NWMO Membership Agreement.

7. COMMITMENT

On November 30, 2005, NWMO extended its 3-year sub-lease agreement for its offices at 49 Jackes Avenue, Toronto, Ontario for an additional year to December 31, 2006. Annual total lease payments are \$134,741.

## CONTACT INFORMATION

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