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# Standing Committee on Natural Resources

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Chair: Terry Duguid





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Thursday, December 11, 2025

• (1100)

[*English*]

**The Chair (Hon. Terry Duguid (Winnipeg South, Lib.)):** I call this meeting to order.

I'll start, as we always do, by acknowledging that we are meeting on the unceded territory of the Algonquin Anishinabe nation.

Welcome to meeting number 19 of the Standing Committee on Natural Resources.

I would like to remind members and witnesses that all comments should be addressed through the chair.

Colleagues, before we dive in here, I have a minor matter. We're undertaking a new study, as you know, and we need a budget to do that. A proposed budget was circulated to you. This is a formality, but is it the will of the committee to adopt the budget?

**Corey Tochor (Saskatoon—University, CPC):** I have a quick clarification. It's to do with this meeting as well. Is that correct?

**The Chair:** That is correct.

**Corey Tochor:** We're scheduled and have resources available from 11 o'clock to one o'clock. We are here to find the answers we're all searching for about the all-American takeover at Canadian Nuclear Laboratories. Will we be sitting for two hours today, then, sir?

**The Chair:** That is what the clerk advertised.

**Corey Tochor:** Okay. You're saying that we have committee time until one o'clock to find answers, Terry. Is that correct?

**The Chair:** Thank you, Mr. Tochor. You have made your point.

I asked about the budget. I see no objection, so the budget is passed.

Madam Clerk, I've signed the resources for a three-meeting study, if I'm not mistaken. That was the motion, so that's very good.

Moving on, pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, December 4, 2025, the committee is commencing its study of the management of Canadian Nuclear Laboratories by U.S. companies.

I would like to welcome our witnesses.

From Atomic Energy of Canada Limited, we have Fred Dermarkar, president and chief executive officer, and Maude-Émilie Pagé, acting vice-president, indigenous and stakeholder relations. Also, from the Department of Natural Resources, we have Drew Leyburne, assistant deputy minister.

Thank you all for being here today. I believe Mr. Dermarkar will be the only one making opening remarks.

Mr. Dermarkar, you have the floor for five minutes or less. Please proceed.

**Fred Dermarkar (President and Chief Executive Officer, Atomic Energy of Canada Limited):** Thank you and good morning, Mr. Chair.

My name is Fred Dermarkar, and I'm the president and CEO of Atomic Energy of Canada Limited, or AECL, a Canadian Crown corporation established in 1952. Here with me today is Maude-Émilie Pagé, the acting vice-president of indigenous and stakeholder relations.

• (1105)

[*Translation*]

AECL's mandate is to drive and foster the development of nuclear science and technology, to derive optimal benefit for Canada from intellectual property related to CANDU reactor technology and manage the Government of Canada's radioactive waste and decommissioning responsibilities.

[*English*]

The government started restructuring AECL in 2009. This led to the implementation of a government-owned, contractor-operated—or GOCO—model. Under this model, AECL owns the sites and the associated facilities, assets, intellectual property and waste liabilities, while a private sector organization, Canadian Nuclear Laboratories—or CNL—is responsible for the day-to-day operations of the sites.

Our sites span the country, from the Northwest Territories to our lab at Whiteshell in Manitoba; several sites in Ontario, including Port Hope and the Chalk River labs; the Gentilly-1 reactor in Bécancour, Quebec; and our cybersecurity facility in Fredericton, New Brunswick.

The implementation of the GOCO model in 2015 was premised on leveraging unique expertise from outside Canada, particularly the United States, to help us manage CNL. The concept was that the U.S. had extensive expertise owing to their vast experience in nuclear waste management and lab operations at the U.S. Department of Energy's 17 nuclear labs. AECL initially contracted with the Canadian National Energy Alliance to manage CNL for 10 years. This contract has just ended, and we have just signed a new contract with Nuclear Laboratory Partners of Canada—or NLPC—to manage CNL.

There are three important points I want to stress about our activities and operations.

[*Translation*]

First of all, AECL is entirely responsible. We own these sites, and we manage the contract and the contractor. We set directions and priorities, and we supervise performance. We oversee everything that our contractor does, and our foremost goal is to obtain value-added in Canada.

[*English*]

The second is that our parliamentary appropriations are spent right here in Canada. The contract with NLPC is a management and operating contract for our sites, all of which are located in Canada. All of the CNL workforce—more than 4,000 people—is employed here in Canada. The supply chain executing the work for CNL is very much Canadian.

While the annual spend on this contract may seem high, the vast majority of our expenses are right here in Canada. What we are buying is the expertise of the NLPC parent companies in managing complex nuclear research and decommissioning sites like ours. Two of the three companies that make up NLPC have long-established Canadian operations, and half of the management team they recruited is Canadian. Only the fee, which is based on good performance as assessed by AECL, goes to NLPC. That's a very small portion of the total spend.

The third and last point is that our procurement process was initiated in 2022, and it unfolded in a deliberate and thorough manner between then and 2025. We followed legislative requirements and our procurement policies. We had a pre-qualification phase where interested bidders were evaluated against mandatory criteria, including technical, financial, security and integrity. We then issued a request for proposals to qualified bidders with a rigorous and thorough evaluation against technical and financial criteria, and we had an external fairness monitor who concluded that the competition selection process was carried out in a fair, open and transparent manner.

I'm happy to answer questions.

**The Chair:** Thank you, Mr. Dermarkar.

We will go to questions now. We are going to start with Mr. Tochor for six minutes.

• (1110)

**Corey Tochor:** Thank you, Chair.

Thank you to our witnesses for being here today.

Just to confirm the structure, AECL oversees everything. In your words, you control everything in that contract—the wording and the details of that contract. It is for the management of the CNL, which falls underneath. You own all the sites and all the hardware—as you said—that goes along with it. We are going to bring in a GOCO, which is going to be above them, to manage the employees at CNL—all the Canadians who have had great breakthroughs, from the research on CANDU reactors to, more recently, the medical isotopes that all Canadians rely on from coast to coast.

On the medical isotopes side, I understand it's a profit-making generator for CNL, for the isotopes they produce mostly at Chalk River, which is wonderful. This contract that you said your department totally controls and manages, have you seen that contract yourself and read the contract fully?

**Fred Dermarkar:** I have.

**Corey Tochor:** In terms of the wording of the contract, I understand there was a group who oversaw it to make it fair and to make sure it was all done right. How many bidders bid on this?

**Fred Dermarkar:** Altogether, it was a lengthy process. As I said, it started in 2022—

**Corey Tochor:** Yes, but how many bidders? It's a group of companies, but how many groups of companies?

**Fred Dermarkar:** There were varying numbers at different points, but up to nine, at one point, were involved in the process.

**Corey Tochor:** How many made it to the final selection round?

**Fred Dermarkar:** The RFPs went to two bidders, and we got one bid at the end.

**Corey Tochor:** At the end.... Who was the second-last bid that was rejected?

**Fred Dermarkar:** We didn't reject the bid. The RFP went to two bidders who qualified.

**Corey Tochor:** Who was the second group that qualified?

**Fred Dermarkar:** I'm going to ask Maude-Émilie Pagé who—

**Corey Tochor:** Just the name.... I have to understand who they are. Were they a Canadian-based owned company, yes or no?

**Fred Dermarkar:** The answer is no. What happened—

**Corey Tochor:** They were all Americans.

**The Chair:** Can we allow him to answer, please?

**Corey Tochor:** We have limited time. I just want to get to the facts here.

You got two bidders to the last round and they were both all American.

**Fred Dermarkar:** No. That is not correct. The successful bidder had a Canadian company, Kinectrics Incorporated. That's a Canadian—

**Corey Tochor:** Was it a requirement to have a Canadian component in order to bid—a Canadian-owned company?

**Fred Dermarkar:** It was not a requirement to have a Canadian component in order to bid.

**Corey Tochor:** But you felt good that at least one—

**Fred Dermarkar:** It was a requirement that the consortium, the joint venture that was pulled together, be incorporated in Canada.

**Corey Tochor:** They had a satellite office. They had to have incorporation in Canada, but they could be owned by other companies or other countries. This is where we get in trouble with the Competition Bureau, because the Canadian-owned company was bought out by another company, which was part of the winning bid. Now we have an all-American takeover of Canadian Nuclear Laboratories.

When it was revealed that it was going to be all American companies, were you concerned?

**Fred Dermarkar:** I was not concerned, no.

**Corey Tochor:** This came about in the middle of the American tariff war with our country. We've heard concerns that the reason the Competition Bureau is looking at this is that the medical isotopes that all Canadians rely on, the isotopes that are produced at Chalk River, will be managed by an all-American group that competes for that business. Is that correct?

**Fred Dermarkar:** It is not a correct—

**Corey Tochor:** They sell to the same people—isn't that right?

**Fred Dermarkar:** It's not an accurate representation.

Let me take a step back. The GOCO was established more than 10 years ago—

**Corey Tochor:** But it's this one, this GOCO. We're not disagreeing that this is the right model. What we have real deep concerns about is that we're letting a foreign country manage our medical isotopes. The Competition Bureau has concerns because this is a monopoly that will cause the Americans to control our medical isotopes in Canada.

That's what I'm concerned about, and I would hope that people at Atomic Energy of Canada are concerned, because of the current climate with America and some of the rhetoric we hear out of the government about “elbows up” and having to defend our sovereignty. Meanwhile, we are selling out our Canadian nuclear labs to an all-American corporation.

• (1115)

**Fred Dermarkar:** The isotope aspect of the business was analyzed in detail by the Competition Bureau. Approximately one or two weeks ago, the Competition Bureau issued a no-action letter, indicating that it had no intent to take further action at this time.

**Corey Tochor:** Was that made public?

**Fred Dermarkar:** It's posted on the Competition Bureau website. That is correct.

**Corey Tochor:** This is why we were trying to have this study kick off months ago—blocked by the Liberals in this committee, who were being directed to for some reason—to get the information on the contract and to understand why this is risking our medical isotopes in Canada supply—

**Ron McKinnon (Coquitlam—Port Coquitlam, Lib.):** I have a point of order.

**The Chair:** Wait one moment, Mr. Tochor. I'll save your time.

What's your point of order, Mr. McKinnon?

**Ron McKinnon:** Mr. Tochor is misrepresenting. They were not blocked at all, in any way, shape or form.

**The Chair:** That is not a point of order.

You have about 30 seconds.

**Corey Tochor:** On that point of order, we tabled the notice of motion saying that we wanted the documents, including the contract, for Canadians to see with their own eyes why we're selling out our nuclear secrets to American companies that will be able to be under the thumb of whoever's in the White House.

**John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.):** I have a point of order. It's a misrepresentation—

**The Chair:** Hang on, folks. Order.

That was not a point of order. That was debate.

**Corey Tochor:** It was on the point of order, though.

**The Chair:** I dismissed his point of order. There was no point of order.

**Corey Tochor:** Okay.

**The Chair:** You have 21 seconds left in your remarks, Mr. Tochor. Please continue.

**Corey Tochor:** There we have it. For all the Canadians watching, the cover-up of what is happening in the selling out of our technology is laid bare. We have two hours today to find out the answers to why this is happening.

I look forward to the rest of the committee and to having questions answered in my future rounds.

**The Chair:** Thank you, Mr. Tochor.

Before we go to Mr. Danko, I want to welcome some new members to the committee.

Ms. Gallant, Mr. Gourde and Monsieur Bonin, welcome. As you can tell, it's a very friendly committee, for the most part, even on the most contentious of issues.

With that, Mr. Danko, you have six minutes.

**John-Paul Danko:** Thank you, Mr. Chair.

Maybe I'll start from the beginning. You mentioned that AECL is a Crown corporation. Can you explain for the record what exactly is a Crown corporation, what its role is within the federal government, and in the context of this contract, what separation there is between AECL and the federal government in approving the award of this contract?

**Fred Dermarkar:** Thank you for that question.

A Crown corporation is created through an act of Parliament. Its primary intent is to pursue, on commercial terms, activities that are strategically important to the government or activities where private industry may choose not to engage because they're not profitable but continue to be of strategic importance.

The way AECL operates today is at arm's length from government. In this particular procurement process, AECL has a board of directors that works in accordance with the Financial Administration Act, and its internal governance is aligned with the requirements of that act.

In the context of this procurement, AECL's independently nominated board of directors, with all of them being Governor in Council appointments, approved the procurement plan. They also approved the request for proposals and the form of the contract, and they ultimately approved the selection of the successful bidder.

**John-Paul Danko:** Thank you.

Just to be clear, AECL is a non-partisan organization with the sole authority to award this contract independent of the federal government.

**Fred Dermarkar:** That is correct, and we did so completely independently of government.

**John-Paul Danko:** Thank you.

For this specific contract, you spoke a little bit about it in your opening remarks, but I want to dig into this a little bit deeper.

What is the purpose of this contract in the context of what the consortium is doing? What are the benefits to Canadians and the Canadian nuclear industry? What was evaluated as part of the award process such that this was the consortium that we wanted to go with?

• (1120)

**Fred Dermarkar:** AECL operates a very complex business. As I indicated in my remarks, we have sites spanning across the country. A lot of those sites have legacy nuclear material that is the responsibility of the government, and it's different depending on where you go.

A big part of AECL's obligation and spending is in the cleanup of that legacy nuclear material, which goes back decades. In addition to that, we have a lab facility that undertakes complex and really important research for the Government of Canada, but also undertakes to do work on a commercial basis.

You can picture how complex those operations are. They're broad and we're dealing with very sensitive material. Our primary focus is on safety, security and environmental protection.

The United States operates 17 labs that are very similar in the scope and complexity of their work, and they have been using a GOCO model for decades, and very successfully so. The government, as a policy decision, more than 10 years ago, decided that it wanted to tap into that expertise, recognizing the very unique nature of AECL's operations. It said, let's tap into the private sector expertise that's been developed in the United States to manage the U.S. Department of Energy facilities. Therefore, we created a model that is quite similar to what was developed there so that we could tap into that expertise. We have one organization; they have 17 labs. It was an opportunity to tap into the breadth and depth of that capability.

The management and operating contract that we have with NLPC not only gives us access to the leadership, but also gives us

access to what we call "reach-back resources". If there's a particular project going on that has a particularly unique aspect to it, those parent companies can reach back into their stable of expertise and experience and bring those resources to Canada.

**John-Paul Danko:** Thank you.

I think I probably have about a minute left.

**The Chair:** You have 42 seconds.

**John-Paul Danko:** I'm going to start this question, but you probably won't have time to finish.

On the RFP process, you said that, initially, there were nine interested bidders. That came down to two qualified bidders.

Can you quickly explain the expertise needed for this type of work, and is it unusual in the industry to have a limited number of contractors capable of providing the services?

**Fred Dermarkar:** The short answer is that it is very unique expertise. We're talking about nuclear cleanup. There's not a lot of nuclear cleanup that goes on. We're talking about decommissioning. Every building we have has unique decommissioning challenges. It depends on what kind of activity was going on in that building.

**The Chair:** Thank you.

We have Monsieur Bonin joining us. As you know, he's not a voting member, but he can ask questions.

Mr. Bonin, the floor is yours for six minutes.

[*Translation*]

**Patrick Bonin (Repentigny, BQ):** Thank you, Mr. Chair.

I want to thank the witnesses for joining us.

Mr. Dermarkar, spent fuel was shipped from Gentilly-1 in Quebec to Chalk River in Ontario. Newspaper articles say that some municipalities and emergency services may not have been informed. Can you tell us whether all municipalities along the route used to ship the spent fuel were informed? Did you inform everyone who could potentially have been affected by an accident, emissions, spills into waterways or any other possible effects?

**Fred Dermarkar:** Thank you for the question. I'll answer in English.

[*English*]

It's important to recognize, first, why we are undertaking this activity. We have very sensitive nuclear—

[*Translation*]

**Patrick Bonin:** Mr. Dermarkar, since I don't have much time, could you answer the question directly, please?

[*English*]

**Fred Dermarkar:** Okay.

We inform communities along the way that we are shipping the material. The precise timing of when that material will be shipped needs to be kept confidential and outside of the media, so as not to unnecessarily risk any security issues.

• (1125)

[*Translation*]

**Patrick Bonin:** Could you send the committee a list of the municipalities that you notified?

**Fred Dermarkar:** I'll ask Ms. Pagé to include the French items in my reply.

**Patrick Bonin:** Okay, but I'm satisfied with your response.

Would it be possible to send the committee a list of the municipalities that you notified about shipping the spent fuel from Gentilly-1?

**Maude-Émilie Pagé (Acting Vice President, Indigenous and Stakeholder Relations, Atomic Energy of Canada Limited):** We've held extensive consultations and made commitments to municipalities in the vicinity of Bécancour and Chalk River for a number of years.

**Patrick Bonin:** I apologize for interrupting, but I'd like to clarify my question.

I'm talking about the route used to ship the spent fuels between the two municipalities. You say that you informed all the municipalities. Could you give us a list of the municipalities that were informed and the risks that were brought to their attention?

**Maude-Émilie Pagé:** From a shipping standpoint, the RCMP works alongside local police organizations. They are the ones responsible for organizing the relevant safety plans.

**Patrick Bonin:** Okay. You're still responsible for shipping though, aren't you?

**Maude-Émilie Pagé:** Canadian Nuclear Laboratories is responsible for shipping.

**Patrick Bonin:** That's right.

Can you give us a list of the municipalities that were informed, regardless of whether they were informed by the RCMP or you? Can you also tell us what information they received?

**Maude-Émilie Pagé:** We can give you a list of the municipalities that we consulted and that we've shared information with over the years. However, I should mention that we don't have the information shared by the RCMP with its public safety partners.

**Patrick Bonin:** You're the ones responsible for managing hazards in the event of an accident, and you don't know what information the municipalities received. Is that correct?

**Maude-Émilie Pagé:** No, that's not what I said. I said that the RCMP works hand in hand with its public safety partners and that security plans are developed in partnership with them.

**Patrick Bonin:** So you can submit the list of municipalities to us and inform us of the nature of the information. I'm not asking for details because I imagine some things have to be kept secret. Will you be able to submit that to the committee?

**Maude-Émilie Pagé:** The fact that fuel was shipped between Gentilly-1 and Chalk River is not a secret. We discussed it with a number of municipalities.

**Patrick Bonin:** Okay. So you agree to provide us with a list of the municipalities that were informed about the shipment along

with details concerning the nature of that information, for which I thank you.

Can you tell us how much it cost to prepare the shipment and ship the material to Chalk River? What will it cost to store it at Chalk River?

[*English*]

**Fred Dermarkar:** Before answering specifically what it costs, the objective of moving the fuel from Bécancour to Chalk River is, in fact, to enhance security by consolidating all the fuel in one site and, especially, to reduce the costs so that we don't have to have the security forces duplicated at both Chalk River and Bécancour.

[*Translation*]

**Patrick Bonin:** Okay. Can you provide us with information on the costs involved in preparing, shipping and storing this material at Chalk River?

**Maude-Émilie Pagé:** Yes, I think we received a parliamentary question. It may have come from you.

**Patrick Bonin:** I think so. Will you be submitting that information?

Things move quickly at the end of a parliamentary period. We don't always have time to keep track of everything.

You say it's less expensive to send it to Chalk River. Do you have any comparative costs and can you submit that to us as well? You must have some figures if you say it costs less.

**Fred Dermarkar:** It costs less because we don't have security teams at each site. There's only one team.

**Patrick Bonin:** Can you submit that to us? You say it's less expensive, so you surely must know the costs.

**Maude-Émilie Pagé:** We'll have to check into what we can share with you because some of the information concerns nuclear safety and protection at our sites and we can't send that. We'll see what we can do.

**Patrick Bonin:** I just want the costs.

[*English*]

**Fred Dermarkar:** The one thing we need to protect against is this: We do not want to divulge information that could tell adversaries how many security guards we have, because it creates a vulnerability. The information you're seeking can be used to deduce sensitive information, so—

[*Translation*]

**Patrick Bonin:** I understand what you mean.

[*English*]

**The Chair:** Thank you both.

We go on, in our second round, to Mrs. Gallant for five minutes.

• (1130)

**Cheryl Gallant (Algonquin—Renfrew—Pembroke, CPC):** Thank you, Mr. Chairman. Through you, Mr. Dermarkar, welcome.

Do you or any members of the AECL board have a pecuniary interest in any of the companies within the consortium?

**Fred Dermarkar:** I can speak for myself because I do not discuss with the board members what their financial interests are. In my case, as a reporting public office holder, I am required to put all of my money in a blind trust. As it is a blind trust, I have no idea what I'm actually holding or what is being held on my behalf by the trustee.

**Cheryl Gallant:** Are any of the other board members subject to similar precautions, that you know of?

**Fred Dermarkar:** The Ethics Commissioner outlines who is a reporting public office holder and who isn't.

**Cheryl Gallant:** You're right about that.

What measures have been put into place to ensure CNL's IP remains in Canadian hands? Are there accommodations with respect to Internet infrastructure? Is the Internet structure or are any communications subject to the USA PATRIOT Act? It's a group of U.S. companies, so information will flow back and forth. The concern is that, if it flows through routers or, even, on different computers, it could be subject to that, in which case the NSA could look at whatever it wants.

**Fred Dermarkar:** My understanding is that CNL is careful about the location of its cloud servers, to ensure that they are protected in Canada.

I want to take a step back and say that there is a very rigorous security program at CNL. They have a chief security officer. AECL has a chief security officer. AECL monitors CNL's security program and exercises oversight over it, and the two CSOs—the AECL and the CNL CSO—are in very close communication, so I am confident that our information, the information on CNL's servers, is well protected and is being overseen by us.

However, I need to add one more thing. The whole issue of security is also subject to the operating licence that CNL has with the regulator, the Canadian Nuclear Safety Commission, and they, completely independently, provide oversight over their cybersecurity.

**Cheryl Gallant:** Does the contract have any non-competition clauses to ensure that companies in the consortium cannot take the business away from CNL? For example, Kinectrics—former Sheridan Park workers put that together—was purchased by U.S. company, BWXT. Now, that company, Kinectrics, has a working knowledge of CNL's materials analysis technology, especially for the pressure tubes. That's a large income for CNL. How can we be assured that we will not have that technology, and, thereby, our jobs and the income for CNL, compromised?

**Fred Dermarkar:** Kinectrics, to make a small correction, was born out of the old Ontario Hydro research division, and it was created with the restructuring of Ontario Hydro around the turn of the century.

You are quite correct. They do have capabilities that overlap with capabilities at CNL. However, what's important to note is that there are very strict provisions in the contract to firewall and manage conflicts of interest. The conflict of interest provisions are such that if there's somebody from Kinectrics who is involved in the work,

either they have to recuse themselves or they get firewalled so the information does not leak from CNL to Kinectrics. Our job is to make sure those conflict of interest firewalls are being properly managed by CNL.

**Cheryl Gallant:** Were there any considerations or concerns once the consortium did become all American and we didn't actually have Kinectrics, which was Canadian? Is that where former Sheridan Park engineers work now as well?

• (1135)

**The Chair:** Give a quick answer, Mr. Dermarkar.

**Fred Dermarkar:** Sheridan Park is in Mississauga on the border with Oakville, and Kinectrics is on Kipling Avenue in Etobicoke. There is no mixing. Sheridan Park was the old AECL. Kinectrics was the old Ontario Hydro.

**The Chair:** Thank you both.

We're going to go on to Mr. Guay for five minutes.

Mr. Guay, go ahead.

**Claude Guay (LaSalle—Émard—Verdun, Lib.):** Thank you, Mr. Chair.

I want to thank the witnesses for being here and spending this lovely pre-Christmas time with us.

Let's talk about the consortium, NLPC. NLPC is incorporated in Canada. Is that correct?

**Fred Dermarkar:** That is correct.

**Claude Guay:** Is there an expectation that they're going to pay taxes in Canada?

**Fred Dermarkar:** That is correct. They are required to pay taxes in Canada.

**Claude Guay:** They will have to behave according to Canadian laws. Is that correct?

**Fred Dermarkar:** That's correct.

**Claude Guay:** Okay.

Can we go a little bit further and talk about the footprint of NLPC in Canada? Can you enlighten the committee on that?

**Fred Dermarkar:** Yes, I would be happy to.

NLPC is made up of three parent companies. They are BWXT, Kinectrics and Amentum.

BWXT has had a presence in Canada for decades in Cambridge, but I understand now it has broadened altogether to seven sites, including Arnprior, which is not far from here, and Peterborough and so on. They are the old Babcock & Wilcox. A lot of people would remember that name. As I say, it's been there for decades. They have about 1,200 employees based in Canada altogether.

Kinectrics, of course, is entirely based in Canada, although, as I recall, it does have an American arm. I don't know the details. It's more an American piece that's owned by Kinectrics, but they have an American office. They have offices in some European countries as well. Their operations are predominantly or almost entirely based here in Canada.

As for Amentum, I do not believe they have a significant footprint in Canada. I'm not aware if they have a significant footprint in Canada, but BWXT certainly has a very large footprint and so does Kinectrics.

**Claude Guay:** There's a whole discussion going on in the committee about protecting Canadian IP. Can you enlighten us on the structure, the contract and the measures that have been taken to protect Canada's IP?

**Fred Dermarkar:** As I was mentioning, there are strict provisions in the contract around managing conflicts of interest. This is not new in the contract, by the way. This exists today and has existed all along.

As I mentioned earlier, the number of companies that play in this space is very small. It would be very difficult, if not impossible, to find companies to manage the GOCO that would not have some kind of a conflict of interest, because they engage in the same kind of work. That's why we've hired them. Having conflict of interest provisions is a vital part of managing the GOCO. It has been there all along. It will continue to be there in the new contract.

**Claude Guay:** There might be some confusion for Canadians. We own the CANDU brand and this is Canadian expertise.

How does it relate to this sector of activity in any way, shape or form, just so we're clear?

**Fred Dermarkar:** AECL developed the CANDU reactor technology and AECL continues to own CANDU reactor technology. As part of the restructuring that commenced in 2009, AECL sold exclusive rights to the technology to SNC-Lavalin, which is now AtkinsRéalis.

The CANDU technology continues to be very important to AECL and the CNL. That's because the lab type of expertise around CANDU is very much in residence at our labs today. The engineering portion of CANDU was sold but not the research and development—not the fundamental technology portion. It's important to us to see CANDU continue to grow. We have that capability in our labs to continue to sustain CANDU technology.

I'm not sure if I answered your question directly.

• (1140)

**Claude Guay:** You did. Those employees of AECL are still Canadians—

**The Chair:** Mr. Guay, that's your time. Maybe you can come back to that in a future round.

[Translation]

Mr. Simard, you have the floor for five minutes.

**Mario Simard (Jonquière, BQ):** Thank you very much, Mr. Chair.

Mr. Dermarkar, does the American consortium have a role to play in decommissioning Gentilly-1?

**Fred Dermarkar:** Yes, but I'll explain.

[English]

They do have a role to play in the decommissioning of Gentilly-1 in that one of the objectives of CNL is to decommission Gentilly.

The CNL employees will be the ones executing the work, but at a very senior level, NLPC will be providing the management direction around that decommissioning activity.

The decommissioning activity itself will be planned and executed by CNL using subcontractors that are likely to be Canadian subcontractors. There are no contracts right now. That's why I say, "likely"; it has not really commenced.

[Translation]

**Mario Simard:** I'd like to talk about your approach to decommissioning Gentilly on Quebec land. How does information sharing with the Government of Quebec function?

I assume that you're also governed by environmental standards and rules specific to the Government of Quebec. I don't know if you can tell us whether you're accountable for following any specifications issued by the Government of Quebec. Are you required to follow any rules? What kind of coordination exists between the consortium, you and the Government of Quebec?

**Fred Dermarkar:** The regulations governing nuclear energy are federal.

**Mario Simard:** Concerning the shipment of waste, I assume you have rules to follow in that regard as well.

**Fred Dermarkar:** I believe that all of the rules are federal rules.

**Mario Simard:** Is there no communication between you and the Government of Quebec about decommissioning Gentilly? Is there no discussion between you and the Government of Quebec?

**Fred Dermarkar:** I'm going to ask my colleague Ms. Pagé to answer.

**Maude-Émilie Pagé:** Yes, Mr. Dermarkar is correct in saying that the supervision of all nuclear activities in Canada is regulated by the Canadian Nuclear Safety Commission.

The commission is responsible for ensuring that all nuclear energy-related activities in Canada are carried out safely, including current activities at the Gentilly-1 site and future Gentilly-1 decommissioning activities, like shipping nuclear material, which is carried out in collaboration with Transport Canada.

That said, referral organizations can consult their provincial counterparts, depending on the project or the nature of the project. You would have to ask them about their plans for Gentilly-1.

**Mario Simard:** Thank you.

**Fred Dermarkar:** I'd like to add something.

[English]

The decommissioning is done under licence as well. It is a specific licence that we get from the Canadian Nuclear Safety Commission to do the work. It is very carefully regulated by the Canadian Nuclear Safety Commission.

[Translation]

**Mario Simard:** In terms of underground waste disposal, a U.S. company called Amentum, which is a member of the consortium, isolates low-level waste in New Mexico in isolation rooms located 660 metres underground.

We are told that this waste is comparable to the waste at Chalk River, yet you're storing it at near surface level. What's the reason for that difference? Are standards in New Mexico higher than standards in Canada?

[English]

**Fred Dermarkar:** I don't know how the regulations compare directly, but I expect they would be comparable. Whether an organization decides to dig deep or to do a near-surface disposal facility is really a technical decision. Regardless of the decision taken, you have to follow the same regulations. It is no less safe to build a near-surface disposal facility than it is to build a deep geological facility for low-level waste.

• (1145)

[Translation]

**Mario Simard:** What basis do you have for saying that it's as safe at near surface level as it is deep underground?

[English]

**The Chair:** Please give a quick answer.

**Fred Dermarkar:** These are technical assessments. It comes down to geology. It also comes down to the integrity of the liner and the construction of that facility.

**The Chair:** Thank you.

We're going on to our third round. Thank you, Monsieur Simard.

Mr. Rowe, welcome back. You have five minutes.

**Jonathan Rowe (Terra Nova—The Peninsulas, CPC):** Mr. Chair, I'm hoping to cede my time to my colleague Mr. Tochor.

**The Chair:** Okay. That's very generous of you.

You have five minutes.

**Corey Tochor:** Thank you, Mr. Chair.

Here we are today for two hours at this committee. We had a motion on this to ask for some of the documents that I'm going to ask you about. However, the only way we got this two-hour meeting was with the Liberals gutting it, which got rid of the documents we were looking for. It might be a little bit repetitive here. You're saying that the minister or the government had nothing to do with the awarding of the contract. Is that correct?

**Fred Dermarkar:** That is correct.

**Corey Tochor:** Then it was this independent board of AECL that made the decision. Is that correct?

**Fred Dermarkar:** AECL's board approved the decision. That's correct.

**Corey Tochor:** That board was solely appointed by the Liberal government, in an order in council, similar to how you got hired. Is that correct?

**Fred Dermarkar:** To be honest with you, I would need to go back and look at when each of the board members was appointed.

**Corey Tochor:** It's within the last 10 years. We don't have board members who are serving more than 10 years. This was entirely a board composed of Liberal appointees, who awarded our Canadian Nuclear Labs contract for management to an all-American group of companies that the current Prime Minister owns a piece of. The

concern we have with this contract is that it didn't have a stipulation for Canadian content in the ownership of companies that are bidding on this.

It replaced the AtkinsRéalisis contract that was managing CNL. Was AtkinsRéalisis one of the partners of the bid that got to the second-last round but was removed?

**Fred Dermarkar:** I'm not at liberty to talk about the details of who engaged when.

**Corey Tochor:** This is a part of the documents we were asking for from the Liberal government, and they've been covering this up for weeks—or almost months, now. We believe there is a discrepancy between what they say they're doing and what they're actually doing.

This is another example where this all-American group is taking over our labs and how this should impact and concern all Canadians, especially anyone who has gone through cancer treatment. Medical isotopes are crucial. Some of the breakthroughs we're having in beating cancer are from medical isotopes and procedures that were developed at Chalk River and other institutions.

I'm thinking of McMaster. McMaster relies on some of CNL's work to verify some of their procedures to make medical isotope breakthroughs, which are wonderful. However, now the people managing the lab that is helping McMaster make those breakthroughs are direct competitors from the States.

Were there any concerns, with the current tariff war with the States and the current climate? Did no one from the government reach out to you or any board member saying, "Hold up here. We don't want our secrets controlled by the White House"?

**Fred Dermarkar:** As I explained earlier, we do have very strict conflict of interest rules, but let me talk a little bit more about the actinium business if that is your question specifically. The actinium business is a joint venture between a German company ITM and CNL. The actinium business, as a joint venture, has its own board and AECL sits on that board. It uses CNL to provide product that then goes towards making the finished actinium product. It's ITM that actually markets that product—

**Corey Tochor:** Correct.

**Fred Dermarkar:**—and CNL is producing the product itself.

• (1150)

**Corey Tochor:** It's a very profitable segment of CNL, and this is my concern. Once we associated with an all-American takeover, there are things that fall under this.

You talked about reaching into the 17 labs in the States for resources. There are agreements to get some of their help and some of the control of the discoveries made with their assistance. It falls under part 810 of the code of federal regulations implementing the U.S. Atomic Energy Act, which has been used to block other countries from selling nuclear technology tied to U.S. companies.

There are decades-old agreements that the U.S. government is blocking, and I'm thinking of the Korean reactor. They're looking for a sign-off by the U.S. government, and the U.S. won't provide that.

What I'm concerned about, and what other researchers and other companies in Canada are concerned about is that as soon as we touch CNL, now that it's all American controlled or managed, the United States will have a veto, for political reasons, on what we can do with that technology and to whom we can sell it or provide it to. That concerns me. Doesn't that concern you?

**The Chair:** Thank you, but that's your time, Mr. Tochor. Maybe you can come back to that.

We are going to Mr. McKinnon for five minutes.

**Ron McKinnon:** Thank you, Chair. I'll cede my time to Mr. Hogan.

**The Chair:** Mr. Hogan, you have five minutes.

**Corey Hogan (Calgary Confederation, Lib.):** Thank you. I really appreciate that from Mr. McKinnon.

I want to give a preamble to this by thanking my Conservative colleagues for moving to have this study. While I don't agree with all of their lines of questioning, I think it's vitally important that committees such as ours review activities such as this. Our nuclear sector is of vital importance to the country, and as parliamentarians, we should be quite engaged with what's going on. I have certainly learned a lot.

It's clear to me that this is an independent Crown organization that made independent decisions consistent with the policy intent of the Harper government in creating a GOCO in the first place to access private American expertise. Further, Mr. Dermarkar, I've been assured by your testimony that this contract was done in a way that considered IP, Canadian security and Canadian benefits. Unless another shoe is about to drop—and I guess we have two more meetings to find out—I feel quite satisfied that everything done was consistent with your mission. Thank you for that.

I'd like to ask then, how is this plan going of using GOCOs to get expertise from Americans? In your view, has the American expertise trickled to Canada as hoped?

**Fred Dermarkar:** Thank you for the question.

I've personally been in the Canadian nuclear industry for close to 45 years. When I started in 1981, I started at Deep River right next door to Chalk River, and we visited the Chalk River site.

I've visited that Chalk River site many times, and the progress I've seen, the skyline of the site, has changed dramatically in the last 10 years. I have been very impressed by the progress made at Chalk River specifically.

I've also been very impressed by the progress made in the cleanup of Port Hope. There were operations going back to the 1930s and 1940s in Port Hope, long before we really understood nuclear, which led to broad, low-level amounts of radioactive materials—uranium, radium and so on—in the town. The Government of Canada committed to clean up that town almost 25 years ago. The progress that's been made in the last 10 years has been tremen-

dous. All the large-scale sites have either been completed or are nearing completion.

Then finally, when I look at the lab itself, the advancements that are taking place in the lab are impressive. In the last five years, under the GOCO model, we've created two joint ventures: one to pursue actinium with the German company, and another one to pursue fusion with a Japanese company. The other aspect is that we've established the lab as a centre of joint learning and research with nine universities, and we're in the process of establishing a Canadian nuclear learning centre through that partnership with nine universities across Canada.

When you look at the advancements in the lab, in revitalizing the site by taking down old buildings and building new ones, and in keeping Canada at the forefront of nuclear science and technology, and you look at the progress we've made in restoring communities through the cleanup of the government's legacy waste, all under the GOCO model, it has been impressive.

• (1155)

**Corey Hogan:** Thank you, Mr. Dermarkar.

It sounds like a policy decision by Stephen Harper that Conservatives should be very proud of, and I congratulate them and the government of the time for making that decision.

What steps we can take to further strengthen Canada's nuclear industry? It's an industry that punches above its weight globally, and we would like to see it become even stronger in years to come.

**Fred Dermarkar:** I would like to see the continued use of Canadian nuclear technology across Canada. I think this would be very good for Canada today as a tier-one nuclear country. By tier one, I mean we engage in every aspect of nuclear, from mining, with Cameco being a world leader in mining, to nuclear research, engineering through the CANDU reactor technology and operational excellence, as exemplified by our nuclear operators in Ontario and New Brunswick.

Also, very recently, we joined that very small club of countries that actually has established a site for a long-term repository for its high-level waste. Therefore, from mining it to dealing with the waste at the very end, there is no country that is as much of a leader across all those areas as Canada.

**Corey Hogan:** Thank you very much.

**The Chair:** Thank you.

[*Translation*]

Mr. Simard, you have the floor for two and a half minutes.

**Mario Simard:** Thank you very much, Mr. Chair.

Mr. Dermarkar, earlier, my colleague Mr. Bonin spoke with you about waste management. I know that you import radioactive waste at Chalk River. Who authorizes these imports? Is it you?

**Fred Dermarkar:** I'm going to ask Ms. Pagé to answer.

**Maude-Émilie Pagé:** The only waste that we accept at the Chalk River site is waste that we own and bring in from our other sites. A small percentage of the waste that ends up at Chalk River also comes from university research activities or nuclear medicine.

**Mario Simard:** Okay. So there's no foreign waste at Chalk River.

**Maude-Émilie Pagé:** No.

**Mario Simard:** There's no low-level waste.

**Maude-Émilie Pagé:** No. Existing Canadian policy on radioactive waste management prohibits the importation of waste from foreign sources.

**Mario Simard:** Okay. Thank you.

I'm curious. We've often talked in committee about small modular reactors. Even though many of my Liberal Party colleagues talk about these small modular reactors, none are currently operating in Canada. Is that correct? When are small modular reactors expected to enter operation?

**Fred Dermarkar:** Ontario Power Generation is currently building the first small modular reactors at its Darlington site. They're going to build four.

We don't own them at all.

**Mario Simard:** Thank you.

Mr. Chair, since you are going to have to leave us at 1:00 p.m., if I'm not mistaken, and since a particular situation concerning the Standing Committee on Finance is requiring a lot of the Bloc Québécois's resources, I'd like to move a motion to adjourn.

[*English*]

**The Chair:** Madam Clerk, we'll have a recorded vote.

**Corey Tochor:** I'm sorry. This is unclear. What are we voting on?

**The Chair:** There's a vote to adjourn the meeting.

**Corey Tochor:** No.

**The Chair:** My understanding is that—

**Corey Tochor:** We have two hours for this committee. We've been stalled for months—

**The Chair:** Madam Clerk, we're not allowed to entertain a—

**Corey Tochor:** —on this issue. We're finally getting answers. Who's ordering this committee to be shut down?

**The Chair:** Madam Clerk, please continue.

(Motion agreed to: yeas 5; nays 4)

**The Chair:** We are adjourned. Merry Christmas, everyone.

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