

AELB says engineer certified Lynas plant as safe
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DENGKIL, Feb 16 — The Atomic Energy Licensing Board (AELB) said today it was satisfied Lynas Corp's rare earth plant in Gebeng is safe despite concerns raised by a former contractor over its structural integrity.

This was because the Australian miner had shown proof that the facility was certified by a registered engineer, as required under Malaysian law, AELB director-general Raja Abdul Aziz Raja Adnan (picture) said.

"So under Malaysian law, if it's certified by an engineer registered in Malaysia, it is taken as proof," he told reporters at AELB headquarters here.

"Therefore, if anything else happens, in due process of law, we will take it up with the engineer if there is any incompetence within the report. That's the normal procedure."

The New York Times reported earlier this month that AkzoNobel, a key contractor, withdrew from the project in the third quarter of last year after it was told that fibreglass liners using its resin would be installed in concrete-walled tanks that did not meet safety standards.

The Dutch multinational is said to have refused to supply resins as the tanks - which will be used to mix hundreds of tonnes of rare earths with extremely corrosive acids — have problems with rising dampness in the floors and cracks in the walls.

Lynas has said its decision to go with another resin supplier was purely a "business decision" as AkzoNobel does not certify the application of its resin.

Raja Abdul Aziz also said today that the "preoperating stage" of the plant, which will begin once Lynas fulfils several key conditions of its temporary operating licence (TOL), was necessary to decide if a permanent waste disposal facility (PDF) was needed.

"The permanent disposal site is only for the worst-case scenario if Lynas cannot sell recycled waste... We will be able to determine if their declaration is right or the worst-case scenario is right," he said.

But he stressed that Lynas will have to specify a site and submit plans for the PDF even before it begins operations, or risk losing its TOL.

On February 1, AELB granted a TOL to Lynas for its RM2.5 billion rare earth plant in Gebeng, Kuantan after almost a year of sustained public protests.

The regulator stressed, however, that Lynas will not be allowed to fire up its controversial refinery until it fulfils the conditions of the pre-operating licence within the next 10 months.

These include paying the first of five instalments on its US\$50 million (RM155 million)

deposit to the government and the appointment of an independent third-party assessor by AELB, which Lynas will pay for.

It added that even once these conditions have to be fulfilled, the Australian mining company will have to obtain a separate permit to import the raw material from Mount Weld, Australia.

Following that, the plant will be monitored for two years, during which Lynas must meet safety requirements before AELB issues a full licence to ramp up operations.

Lynas said last week it expects the start of operations to be delayed to the second quarter from the first quarter of this year.

Plans to start operations in September last year were scuppered when Putrajaya bowed to public pressure last April and put the project on ice pending the review by the International Atomic Energy Agency (IAEA).

In July last year, the AELB adopted 11 recommendations set out by the review of the refinery and said it would not allow Lynas to begin operations or import rare earth ore until all conditions, which include a comprehensive, long-term and detailed plan for managing radioactive waste, were met.

Lynas Corp failed to meet any of the conditions in its first proposals, according to the regulator.

Lynas' local subsidiary has insisted it can begin operations within six weeks of being given the go-ahead for the plant, which will produce rare earth that is crucial in the manufacturing of high technology products such as wind turbines, hybrid cars and smartphones.

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