

AELB denies profiting from share of Lynas revenue
The Malaysian Insider
February 20 , 2012
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KUALA LUMPUR, Feb 20 — Malaysia's nuclear energy regulator has assured it will not benefit from the small share of earnings it will receive from Lynas Corp's rare earths refinery here, as the money will only be used to verify the Australian miner's waste management studies.

The Atomic Energy Licensing Board (AELB) said the 0.05 per cent of Lynas's annual revenue, which it will "only hold", would not be channelled into any other activities and stressed that any unused monies will be given back to the mining company which has a plant in Kuantan.

AELB director-general Raja Abdul Aziz Raja Adnan (picture) said this would ensure that Lynas had enough funds to look into the safety aspects of waste arising from its rare earth refining activity here, adding that this was a condition mooted by the Malaysian Investment Development Authority (MIDA).

"To make sure that they spend it on the safety aspect of the residues, they will have to place the money with the authorities, and the authorities will have to get independent researchers to verify their research."

"The government doesn't want to spend its own money. Why should I be spending to verify? They already have pioneer status. So that's why. It's not giving to AELB," he told The Malaysian Insider last week.

Ten Pahang residents have filed a suit against AELB and two others, alleging that the radiation watchdog had issued Lynas a temporary operating licence (TOL) for its RM2.5 billion Gebeng plant in return for a cut of the firm's top line income.

The suit, filed at the High Court here on Friday, seeks a court order cancelling AELB's award of the TOL on January 30.

Also named were the Department of Environment (DoE)'s director-general of environmental quality and Lynas's local subsidiary, Lynas Malaysia Sdn Bhd.

According to court filings obtained by The Malaysian Insider, the residents claim the AELB board had put itself in a conflict of interest position by agreeing to take 0.05 per cent of the plant's yearly revenue.

All 10 residents live within three to 18km of the controversial plant located close to the east coast city of Kuantan, which has stoked fears of radiation pollution.

The plaintiffs also accused government authorities of breaching the Constitution and other regulatory laws by accepting a 0.05 per cent of revenue from the Lynas Advanced Materials Plant (LAMP).

"I verily believe that if such a promise was made by Lynas to the board, then the board

placed itself in a conflict of interest position because it would financially benefit from granting a TOL to Lynas so that the board can be paid from the revenue generated by Lynas at the LAMP site.

"In consequence, the board's decision is invalid because the board was no longer independent in the exercise of its statutory discretion. My solicitors advise me that in such circumstances, the decision is void because it is clearly ultra vires," Balok Makmur resident Zakaria Abdullah said in his affidavit to support the suit.

Last week, Lynas said it would fire up its refinery by the second quarter of this year.

The Sydney-based miner is looking to break China's 90 per cent chokehold on the supply of rare earth metals needed to manufacture high-tech products such as smartphones, energy-efficient light bulbs and hybrid cars.

Lynas expects to generate some RM8 billion annually from its operations here.

Deeply concerned over the potential environmental impact of the plant, anti-Lynas groups have grown in force over the past year. They were further spooked by the near-meltdown of the tsunami-hit nuclear power plant in Fukushima, Japan, which hit headlines worldwide around the same time.

The movements have joined forces and are planning a mammoth street rally in Kuantan on February 26 to pressure Putrajaya to axe the project.

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