



Canadian Nuclear Safety Commission

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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Canadian Nuclear Safety Commission

Performance Report

**For the
period ending
31 March 2000**

Ralph Goodale
Minister of Natural Resources Canada

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Executive Summary

The Canadian Nuclear Safety Commission (CNSC) spent \$54 million in 1999-2000 regulating the use of nuclear energy and materials to protect health, safety, security and the environment and to respect Canada's international commitments on the peaceful use of nuclear energy.

In May 2000, the *Nuclear Safety and Control Act (NSCA)* came into force and the former Atomic Energy Control Board became the Canadian Nuclear Safety Commission (CNSC). During 1999-2000, preparation continued for the transition to the new regulatory regime, including the development of new regulations and supporting regulatory documents and consultation with industry, government agencies and other stakeholders. Although the organization was the Atomic Energy Control Board for this reporting period, to mark the transition and to reduce confusion, throughout this report it is referred to as the Canadian Nuclear Safety Commission or CNSC (with a few exceptions).

CNSC performance expectations for 1999-00 were:

- effective administration of the nuclear regulatory regime in Canada;
- a strengthened safeguards system;
- the implementation of the *Nuclear Safety and Control Act*;
- improved communication and openness;
- improved organizational effectiveness and efficiency; and
- a corporate compliance strategy.

Significant performance accomplishments for the reporting period included:

- continuing to administer the *Atomic Energy Control Act* while preparing for the transition to the *Nuclear Safety and Control Act*;
- training staff on the *NSCA* and regulations;
- consultation with industry to finalize the regulations to the *NSCA* and to facilitate a smooth transition to the new regulatory regime;
- the development and dissemination of documents to provide guidance to licensees, in particular with relation to the *NSCA* and regulations;
- preparation for the implementation of the Additional Protocol to Canada's Safeguards Agreement with the International Atomic Energy Agency (IAEA);
- the launch of a new Web site to provide more information to licensees, the public and other interested parties;
- the adoption of an integrated approach to corporate planning; and
- the development of a corporate compliance policy.

Section I: Message from the President

I am pleased to present to Parliament and Canadians, the fourth Atomic Energy Control Board Performance Report.

During the reporting period, the organization continued to prepare for the transition to new legislation and an improved regulatory regime. On May 31, 2000, the *Nuclear Safety and Control Act* came into effect and the Atomic Energy Control Board became the Canadian Nuclear Safety Commission (CNSC). This transition represents the culmination of several years' work and provides Canada with a modern nuclear regulatory regime, with powers and standards that are amongst the best in the world.

In addition to the considerable effort expended to ensure a smooth transition to the new regime, efforts continued to advance the revitalization of our internal management and accountability practices. Steps were taken to further enhance our relationships with federal, provincial/territorial and international organizations to foster effective cooperation, coordination and harmonization of regulatory activities.

A significant event of 1999-2000 was the turn of the millennium and the potential impact of the year 2000 (Y2K) computer date-recognition problem on the safe operation of the nuclear industry. The CNSC worked with our licensees, international regulatory counterparts and governments at all levels to ensure that action was taken to address the Y2K issue and that contingency plans were in place, prior to December 31, 1999. When the changeover to 2000 occurred, there were no serious issues that arose within the industry or at headquarters and site offices. Furthermore, the reciprocation with international regulators served to strengthen that network and to promote continued cooperation and interchange beyond the specific issue of Y2K.

This is the last Performance Report that I will be submitting on behalf of the Canadian Nuclear Safety Commission. My term as President and CEO comes to an end at the end of the calendar year. During my tenure, the organization developed and prepared new legislation and regulations, and carried out internal reforms and changes to the organization that are building a strong corporate foundation to support a strengthened regulatory framework. It is gratifying to be able to look back and see the progress that has been made and to look forward in the knowledge that the commitment of the CNSC and its staff is to continue to develop and implement regulatory practices that will protect health, safety, security and the environment and respect Canada's international commitments on the peaceful use of nuclear energy.

Agnes J. Bishop, M.D.

Section II: Departmental Performance

A. Societal Context

1. Objectives

The objectives of the Canadian Nuclear Safety Commission (CNSC) program are to limit, to a reasonable level and in a manner that is consistent with Canada's international obligations, the risks to national security, the health and safety of persons and the environment that are associated with the development, production and use of nuclear energy and the production, possession and use of nuclear substances, prescribed equipment and prescribed information; and to implement in Canada measures to which Canada has agreed respecting international control of the development, production and use of nuclear energy, including the non-proliferation of nuclear weapons and nuclear explosive devices and to support international efforts to develop, maintain and strengthen the nuclear non-proliferation and safeguards regimes.

2. Strategic Priorities

During this year of preparation for the transition to the *Nuclear Safety and Control Act (NSCA)*, the CNSC's strategic priorities focused on :

- implementation of the *NSCA*;
- improving regulatory effectiveness and efficiency;
- improving management processes and leadership skills;
- reforming the human resources framework; and
- communicating effectively, both internally and externally.

3. Key Co-delivery Partners

The CNSC is a departmental corporation, named in Schedule II of the *Financial Administration Act*, reporting to Parliament through the Minister of Natural Resources Canada. The CNSC works with Natural Resources Canada, Health Canada, Transport Canada, Environment Canada, Human Resources Development Canada, Fisheries and Oceans Canada and the Department of Foreign Affairs and International Trade as well as provincial/territorial government regulators, to cooperate on regulatory issues that impact on or originate with the nuclear industry.

4. Social and Economic Factors

On May 31, 2000, the Atomic Energy Control Board became the Canadian Nuclear Safety Commission, with a clearer and stronger mandate to establish and enforce health, safety, security and environmental standards and to respect Canada's international commitments on the peaceful use of nuclear energy. The most urgent challenge facing Canada's nuclear regulator in the coming year is to ensure the effective implementation of the *NSCA* and regulations. The new regulatory regime and related processes must be fully documented, understood and applied.

The demographics of CNSC staff are such that many experienced professionals will be retiring over the next few years. There is a decreased interest in, and opportunity for, pursuing nuclear science at university and it is difficult to compete with private industry to attract and keep trained, experienced workers. These factors indicate the need for the CNSC to concentrate on recruiting, succession planning and training to counter-act the loss of experience and corporate memory.

Another challenge is the introduction of competition and privatization into the electrical power production industry. Increased competition created by commercial deregulation must not lead to decreased attention to safety. Similarly, deregulation and privatization initiatives must not slow progress in ensuring that appropriate waste management strategies and decommissioning plans are in place and being implemented.

A key challenge of 1999-2000 was the possibility for problems in computer operations due to the transition to the year 2000 ("the Y2K bug"). In cooperation with our licensees, the CNSC developed a comprehensive strategy to deal with the potential Y2K problems. Contingency plans were developed, particularly in relation to loss of power and telecommunications. Internally, the CNSC undertook detailed systems testing, network remedial action, and replaced and upgraded systems, computer hardware and software. As a result of the preparations by licensees and the CNSC, no significant incidents occurred during the Y2K transition period.

B. Performance Results Expectations and Chart of Key Results Commitments

CNSC performance expectations (objectives), articulated in the *1999-2000 Estimates, A Report on Plans and Priorities*, are:

1. Serving Canadians

- effective administration of the nuclear regulatory regime in Canada;
- a strengthened safeguards system;
- implementation of the *Nuclear Safety and Control Act*; and
- improved communication and openness.

2. Internal Performance

- improved organizational effectiveness and efficiency; and
- a corporate compliance strategy.

Chart of Key Results Commitments:

The Canadian Nuclear Safety Commission (CNSC) has a mandate

to provide Canadians with:	to be demonstrated by:	achievement reported in:
assurance that the use of nuclear energy in Canada does not pose undue risk to health, safety, security and the environment	<ul style="list-style-type: none"> ■ a regulatory framework 	DPR Section II D CNSC Web site (www.nuclearsafety.gc.ca)
	<ul style="list-style-type: none"> ■ high levels of compliance in regulated activities 	DPR Section II D
	<ul style="list-style-type: none"> ■ low frequency of safety-significant events 	DPR Section II D
	<ul style="list-style-type: none"> ■ low levels of radiation exposure to humans and the environment 	DPR Section II D
	<ul style="list-style-type: none"> ■ public confidence in the AECB (CNSC) 	DPR Section II D
assurance that Canadian nuclear material, equipment and technology are not contributing to the spread of nuclear weapons	<ul style="list-style-type: none"> ■ control of import and export operations 	DPR Section II D
	<ul style="list-style-type: none"> ■ support of international efforts to develop, maintain and strengthen the nuclear non-proliferation regime 	DPR Section II D

C. Government-wide Priorities

The objectives and programs of the CNSC contribute specifically to three government-wide priorities as set out in the *Speech from the Throne* of October 1999. They are:

- *Health and Quality Care*

The CNSC contributes to and promotes the health and safety of Canadians by regulating the use of nuclear energy and materials. Working with federal partners such as Environment Canada, Department of Foreign Affairs and International Trade and Health Canada, the CNSC endeavours to limit, to a reasonable level, the risks that are associated with the production, possession and use of nuclear substances.

- *The Environment*

The *Nuclear Safety and Control Act* and the *Canadian Environmental Assessment Act* place a range of obligations on the CNSC with respect to protecting the environment. The CNSC works with federal and provincial/territorial agencies to integrate environmental assessment and protection into the regulatory regime and to reduce the risk to the environment from the use of nuclear substances.

- *Canada's Place in the World*

The CNSC promotes global peace and security through its role in fulfilling Canada's obligations with regard to nuclear non-proliferation policy and safeguards. The CNSC verifies that Canada's nuclear exports are used only for peaceful purposes, manages the implementation of the IAEA Safeguards measures in Canada, and contributes to the emergence of a more effective and comprehensive international nuclear non-proliferation regime.

D. Performance Accomplishments

Presentation of Financial Information

Canadian Nuclear Safety Commission	
Planned Spending	\$51,523,000
Total Authorities	\$54,681,507
Actuals	\$53,745,753

Variations between planned spending and total authorities are mainly attributable to the 1998-99 carry-over (\$1.9 million), the economic increase (\$0.5 million) and increased statutory employee benefits (\$0.8 million).

1. Serving Canadians

Key Results: High levels of compliance in regulated activities

Low levels of safety-significant events

Low levels of radiation exposure to humans and the environment

Control of import and export operations

Objective: Effective administration of the nuclear regulatory regime

Context:

The *Atomic Energy Control Act* and its successor, the *Nuclear Safety and Control Act* along with their regulations impose requirements on all persons who produce, import, export, transport, refine, possess, own, use or sell nuclear materials in Canada, as well as others who are identified in the regulations. These requirements are elaborated and augmented by licence conditions and guidance documents. Compliance is achieved through promotion, assessment, inspection and enforcement activities. This regulatory regime is the means by which the CNSC achieves its mission to regulate the use of nuclear energy and materials to protect health, safety, security and the environment and to respect Canada's international commitments on the peaceful use of nuclear energy.

Key Activities:

- During the reporting period, CNSC staff continued to administer the *Atomic Energy Control Act* and its regulations to verify that health, safety, security and environmental protection requirements were recognized and met by licensees, while preparing for the transition to the *Nuclear Safety and Control Act*.
- Regulatory documents, such as policies, standards, guides, notices, procedures and information documents to help licensees, the public and other stakeholders understand the requirements under the *Atomic Energy Control Act* and the new *Nuclear Safety and Control Act*, continued to be developed and issued.
- As well as the standards developed by the CNSC, work was done with the Canadian Standards Association to produce standards covering many major areas including quality assurance, structural integrity, environmental qualification, and fire protection for Canadian power reactors, and with the industry on a structural integrity standard for research reactors. The CNSC also cooperates with the IAEA (International Atomic Energy Agency) in the development of international nuclear standards including those for transportation and container certification, radiation and environmental protection, waste management, and quality assurance.
- Continuing to enhance regulatory control, compliance and emergency preparedness are the means the CNSC employs to protect Canadians and the environment from exposure to radiation, and to radioactive and hazardous substances. This includes carrying out quality assurance assessments and audits; assessing human/machine interface and human performance issues at licensed facilities; conducting routine inspections to verify licensee performance; establishing priorities for corrective actions; monitoring and confirming corrective actions; evaluating licensee staff training programs and competencies; evaluating and assessing radiation and environmental protection programs on-site at licensed facilities, as well as conducting technical reviews of licensee documentation. During the reporting period, the CNSC was one of the Canadian organizations which participated in CANATEX 3/INEX 2, an international exercise designed to test all aspects of nuclear emergency response. Overall, the CNSC response was demonstrated to be effective; however, it was noted that some improvements were warranted in three areas: provision of information to the public during an emergency, documentation of procedures, and training of CNSC staff in their roles during emergency response. A program to address these concerns has been implemented.
- A database, established to allow the electronic transfer of environmental monitoring data from licensees, can be analysed by CNSC staff to evaluate trends and verify quality control of monitoring procedures and analysis methods. A review of

hardware and software requirements to support the system and the resolution of technical difficulties are in progress.

- More comprehensive reporting of staff activities in licensing documents has led to improved consistency and a more transparent regulatory process. Staff are employing the CNSC Performance Indicator Set, objective quantitative measures for safety and the safe performance of nuclear power stations, as an integrated part of the approved licensing process for power reactors. Performance indicators improve the CNSC's ability to assess safety, rate it in comparison with other countries, and further modify and enhance its regulatory activities and requirements.

Key Results: ***Support of international efforts to develop, maintain and strengthen the nuclear non-proliferation regime***

Objective: ***A strengthened safeguards system***

Context:

The unique responsibility of the CNSC for ensuring consistency and fulfilling Canada's international nuclear non-proliferation, safeguards and security obligations continued during this reporting period. Efforts concentrated on: implementation of IAEA traditional safeguards; preparation for the implementation of the Additional Protocol and development of Integrated Safeguards; application of nuclear non-proliferation policy; and participation in the international nuclear security regime. In addition, the CNSC provided technical support for initiatives associated with the Fissile Material Cut-off Treaty, the Comprehensive Test Ban Treaty, the Nuclear Suppliers Group and the Zangger Committee. The CNSC provided expertise for an IAEA International Physical Protection Advisory Service mission to Peru to aid in addressing international concerns with the physical protection of nuclear facilities and material. In addition, the CNSC, in conjunction with Department of Foreign Affairs and International Trade, ensured that measures for the physical protection of nuclear materials in Canada are consistent with Canada's international obligations.

Key Activities:

- Canada signed the Additional Protocol to its Safeguards Agreement with the IAEA, expected to come into force in the fall of 2000. The Protocol gives the IAEA a basis to implement strengthened safeguards measures through increased access to information and locations associated with a state's nuclear fuel cycle. The CNSC continued to inform stakeholders of the requirements for Protocol implementation, and worked closely with

licensees and industry to assemble information for the initial declaration and access requirements.

- The CNSC continued to assist the IAEA through the CNSC-administered Canadian Safeguards Support Program (CSSP), with the development of radiation-monitoring equipment, training on CSSP-developed equipment and application of satellite imaging for safeguards. In addition, Canada provided, at the request of the IAEA, technical experts in the safeguards field, including an expert to serve on an IAEA action team set up by the UN Security Council to eliminate Iraq's weapons of mass destruction and the means to produce and use them.
- In support of Canada's nuclear non-proliferation policy, the CNSC continued to verify that Canada's nuclear exports are used only for peaceful, non-explosive purposes, and to contribute to the emergence of a more effective and comprehensive international nuclear non-proliferation regime. The CNSC licensed the export of nuclear materials, deuterium, equipment and technology, nuclear dual-use items and the import of nuclear materials and deuterium.

Key Result: ***An effective regulatory framework***

Objective: ***Implementation of the Nuclear Safety and Control Act (NSCA)***

Context:

The new *Nuclear Safety and Control Act*, along with the regulations that provide the concrete means by which the *NSCA* is implemented, provide the cornerstone of an effective nuclear regulatory framework in Canada. Since the legislation was passed in 1997, the CNSC has devoted significant effort to the preparation of regulations and consultation with industry representatives, provincial/territorial and federal governments, the public and technical experts. The transition from the *Atomic Energy Control Act* to the *Nuclear Safety and Control Act* presents particular challenges and involves all staff.

Key Activities:

- As the regulations for the *NSCA* were finalized, consultation with industry stakeholders across the country intensified to facilitate a smooth transition to the new regulatory framework. These consultations also set the stage for improved working relationships with licensees in the areas of compliance and safety culture. CNSC staff remain available to address licensee questions and concerns directly or through information sessions planned for the coming year.

- To ensure a consistent understanding and interpretation of the *NSCA* and regulations, intensive training continued for CNSC staff. As well, several staff members have been designated as “subject matter experts” on the new regulations. Training will continue into the next year.
- The CNSC relies on a variety of guidance documents to further explain regulatory requirements and provide direction to licensees, in particular with relation to the *NSCA* and regulations. Subjects covered include: decommissioning; financial guarantees; preparing licence applications for non-reactor nuclear facilities; guidance for CNSC staff in reviewing applications; licence application guides for licensees and staff; quality assurance and human factors assessment; radiation and environmental protection; dosimetry services licensing; training and qualification of workers; and certification of persons; measuring airborne radon progeny; preparing codes of practice to control radiation doses; and submitting information on waste management systems. Following public consultation, documents are amended as necessary, published and made available on the CNSC Web site.
- The new regulatory framework required the review of, and, in some cases, modification to the format and conditions of licences. A list of the classes of licences that can be issued by the CNSC under the *NSCA* was developed. The licence format was revised to reflect a corporate standard and the new regulatory regime. Licence conditions that duplicated requirements of the *Nuclear Safety and Control Act* and regulations were removed and new licence conditions were written to address health and safety issues for several use types. The transition of licences from the AECB to the CNSC is underway and licensees will receive information packages detailing their new licence and licence conditions.

Key Result: ***Public confidence in the AECB (CNSC)***

Objective: ***Improved communication and openness***

Context:

Transparency in decision-making and openness in communication and consultation with the public continues to be a fundamental objective of the CNSC. A significant effort is being made to make the nuclear regulatory process more accessible to Canadians and to make the public more aware of the role and activities of the CNSC.

Key Activities:

- A greater understanding of the activities of the CNSC and how the commission contributes to Canadians’ health, safety and security is necessary if the public is to

have confidence in the CNSC and its ability to fulfill its mandate. During the reporting period, CNSC staff worked towards ensuring the organization is visible, accessible and answerable to the public by: participating in public meetings and discussions; responding to public enquiries and comments; consulting with communities, licensees, governments and other stakeholders; and through the dissemination of information.

- The CNSC launched a new Web site that contains expanded and current information, and which provides licensees and the public with easier access to technical and administrative information.
- To improve communications with stakeholders, the public and the media, training was provided in media relations and presentation skills.
- Maintaining productive relationships with other government agencies and regulatory partners is an ongoing activity and goal of the CNSC. Communication and consultation is particularly important in the context of the NSCA and the CNSC's ongoing efforts to reduce regulatory overlap and duplication. CNSC staff participated in inter-agency working groups, consulted on the division of responsibilities with provincial/territorial counterparts and shared information and expertise with government and regulatory partners.
- Openness and transparency is also important in the context of internal operations and the management of human resources. The CNSC improved internal communications through the increased use of information-sharing, feedback mechanisms, and an enhanced commitment to teamwork.

2. Internal Performance

Key Result: ***An effective regulatory framework***

Objective: ***Improved organizational effectiveness and efficiency***

Context:

In addition to the challenge of implementing legislative changes to the nuclear regulatory regime, the CNSC must address the issues of organizational competence, credibility and effectiveness. Improving the CNSC's management and leadership culture and reforming human resources practices continue to be primary objectives for the CNSC.

Key Activities:

- To clarify accountabilities and ensure that the activities of the CNSC are clearly focused, corporate mandate, mission and vision statements were developed. A corporate strategic plan, detailing strategic directions and specific objectives, was developed and distributed to staff. An integrated approach to corporate planning was approved for the CNSC, including the implementation of a formal planning cycle with management strategic planning sessions, interdivisional planning teams and the centralized coordination of corporate planning documents. Management strategic planning sessions took place during the reporting period, produced a strategic plan for 2000-2001 and laid the groundwork for the drafting of a corporate plan. The Regulatory Operations Committee was formed, to establish consistency in approach and implementation throughout the CNSC.
- During the reporting period, the Audit and Evaluation Group continued to review program performance and management effectiveness. Management acted on the key findings of a review of the way in which staff made use of services provided by the CNSC Legal Services Unit. An audit of internal Y2K preparedness was completed. A review on regulatory assessment of authorized power plant staff was reported in the period and commitments were made to introduce corrective measures related to the report's findings.
- A pilot project on performance indicators was completed in one business area. New inspection checklists and grading systems were established to provide a clearer understanding of the compliance verification process and to ensure consistency and understanding internally and with licensees.
- The CNSC's regulatory effectiveness is dependent on the people it employs to carry out its mandate. The nature of the work performed by staff is multifaceted and complex. Continuous staff development and learning is vital to ensure the CNSC's ongoing effectiveness as a regulator. To facilitate this, the organization has adopted an integrated and comprehensive approach to its succession issues including: the adoption of a new Employee Mobility Policy, that calls for the implementation of a new assignment program and introduction of a systematic human resources planning process; a comprehensive management and executive development program based on the CNSC Leadership Competency Profiles and the design, development and implementation of the first phase of a succession management program called the Early Identification of Management Potential Program, that will identify, through a systematic and rigorous assessment process, those employees who have the greatest potential to become executives in the near future
- The CNSC continued its long-standing practice of consultation and cooperation with other associated regulatory bodies (federal and provincial/territorial) to reduce regulatory burden wherever practicable. During 1999-2000, discussions continued with Government of Saskatchewan officials concerning the optimization of federal and provincial efforts in the regulation of the uranium mining industry in that province. These discussions led to an agreement on the process to be followed as well as on the contents of a

Memorandum of Understanding to be established between the two parties. As well, consultations were held with other government agencies to coordinate the renewal of operating licences and the preparation of reports under the *Canadian Environmental Assessment Act* (CEAA).

Key Result: ***High levels of compliance in regulated activities***
Objective: ***A corporate compliance strategy***

Context:

Verifying compliance with the *NSCA*, regulations, standards and licence conditions is an essential part of fulfilling the CNSC's mandate. A project was initiated in 1999 with the aim of establishing an integrated and systematic approach to compliance. The project should be completed by the end of 2001-2002. It will redesign the CNSC's approach to compliance to take into account the state-of-the-art knowledge associated with compliance programs, and will contain all elements that are key to a successful implementation of such an approach.

Key Activities:

- The draft compliance policy was approved for public consultation.
- The compliance program manual, which provides corporate guidance and direction to CNSC staff on how to implement the compliance policy, was approved and issued in its initial version.
- The development of service line compliance activities for compliance promotion, verification, and guidance for the use of enforcement measures is underway.
- The design of technical guidance and direction on how technical activities will be applied as part of service line compliance activities is ongoing.

Section III: Consolidated Reporting

Regulatory Initiatives

The preparation of regulations pursuant to the *Nuclear Safety and Control Act* is a key regulatory initiative undertaken by the CNSC. While these regulations cannot be considered major or significant in terms of economic impact and public acceptance, or from a government policy perspective, they nevertheless affect how the newly-created Canadian Nuclear Safety Commission meets its mandate. The regulations were drafted to place current regulatory requirements in a form that is compatible with the *Nuclear Safety and Control Act*. Changes, such as lower dose limits, reactor operator certification and the requirement for financial guarantees, have been incorporated into the regulations to reflect more up-to-date standards and policy decisions in nuclear regulation. These changes will affect stakeholders in the nuclear industry. The regulations came into force with the *Nuclear Safety and Control Act* on May 31, 2000.

Section IV: Financial Performance

A. Financial Performance Overview

The summary tables that follow present an overview of the CNSC's financial performance. Financial information presented in most tables includes three figures:

- "Planned Spending" represents the CNSC's appropriations at April 1, 1999;
- "Total Authorities" includes planned spending plus additional spending approved by Parliament during the fiscal year; and
- "Actual" represents the actual expenditures incurred by the CNSC for the fiscal year.

In 1999-2000, the CNSC moved from a single business line to a structure of two business lines: "Health, Safety, Security and Environmental Protection" and "Non-Proliferation and Safeguards". Financial summary tables presenting information by business line reflect this new structure, but in this period of transition, the numbers provided are an estimate of the breakdown between the two business lines.

In 1999-2000, the CNSC's planned spending of \$51.5 million consisted of an operating budget of \$50.9 million and a transfer payment budget (Grants and Contributions) of \$0.6 million. The transfer payments budget consisted of a \$0.6 million contribution to the IAEA for the Canadian Safeguards Support Program and several smaller grants and contributions to other international and non-profit organizations.

In addition to the \$51.5 million planned spending, the CNSC received supplementary funding of \$3.2 million, for a total authority of \$54.7 million. The supplementary funding included the 1998-99 carry-over (\$1.9 million); the economic increase (\$0.5 million) and increased statutory employee benefits (\$0.8 million).

In 1999-2000, the CNSC recovered \$39.7 million in non-responsible revenues, which represents 74% of the \$53.7 million in total expenditures.

B. Financial Summary Tables List

Table #	Title
1	Summary of Voted Appropriations
2	Comparison of Total Planned to Actual Spending
3	Historical Comparison of Total Planned Spending to Actual Spending
4	Crosswalk Between Old Structure and New Structure
5	Non-Respendable Revenues
6	Statutory Payments
7	Transfer Payments

C. Financial Summary Tables

Financial Table 1 - Summary of Voted Appropriations

Financial Requirements by Authority (\$ millions)				
Vote		Planned Spending	1999-00 Total Authorities	Actual
	Canadian Nuclear Safety Commission			
15	Program Expenditures	45.9	48.3	47.3
(S)	Contributions to Employee Benefit Plans	5.6	6.4	6.4
	Total CNSC	51.5	54.7	53.7

NOTE: Due to rounding, figures may not add to totals shown

Total Authorities are Main Estimates plus Supplementary Estimates and other authorities.

Variances between planned spending and total authorities are mainly attributable to the 1998-99 carry-over (\$1.9 million), the economic increase (\$0.5 million) and increased statutory employee benefits (\$0.8 million).

Financial Table 2 - Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (\$ millions)							
Business Lines	FTEs	Operating	Capital	Grants & Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Health, Safety, Security and Environmental Protection							
planned spending	419	44.6	1.6	-	46.2	-	46.2
<i>(total authorities)</i>	-	47.8	1.2	0.1	49.1	-	49.1
(actuals)	-	47.6	1.2	0.1	48.9	-	48.9
Non-proliferation and Safeguards							
planned spending	23	4.7	-	0.6	5.3	-	5.3
<i>(total authorities)</i>	-	5.0	-	0.6	5.6	-	5.6
(actuals)	-	4.2	-	0.6	4.8	-	4.8
Total							
planned spending	442	49.3	1.6	0.6	51.5	-	51.5
<i>(total authorities)</i>	-	52.8	1.2	0.7	54.7	-	54.7
(actuals)	-	51.8	1.2	0.7	53.7	-	53.7
Other Revenues and Expenditures							
Non-Respendable Revenues							(37.6)
planned							-
<i>(total authorities)</i>							(39.7)
(actuals)							
Cost of services provided by other departments							
planned spending							5.0
<i>(total authorities)</i>							-
(actuals)							5.1
Net Cost of the Program							
planned spending							18.9
<i>(total authorities)</i>							-
(actuals)							19.1
NOTE: Due to rounding, figures may not add to totals shown.							

The CNSC moved to a two business line structure from that of a single business line in the fall of 1999. As such, the above represents an estimate of the breakdown between the two business lines.

Financial Table 3 - Historical Comparison of Total Planned Spending to Actual Spending

Historical Comparison of Departmental Planned versus Actual Spending by Business Line (\$ millions)					
Business Lines	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Spending	Total Authorities	Actual
Health, Safety, Security and Environmental Protection	39.4	43.9	46.2	49.1	48.9
Non-proliferation and Safeguards	4.4	4.9	5.3	5.6	4.8
Total	43.8	48.8	51.5	54.7	53.7

The CNSC moved to a two business line structure from that of a single business line in the fall of 1999. As such the above represents an estimate of the breakdown between the two business lines.

Financial Table 4 - Crosswalk Between Old Structure and New Structure

Crosswalk Between Old and New Structures (\$ millions)					
Old Structure	New Structure		Old Structure		
	Health, Safety, Security and Environmental Protection	Non-proliferation and Safeguards	Total (\$\$\$)	FTEs	% of Total
Planned Spending					
Canadian Nuclear Safety Commission			51.5	442	100%
New Structure					
Total (\$\$\$)	46.2	5.3	51.5		
FTEs	419	23		442	100%
% of Total	90%	10%			
Actual Spending					
Canadian Nuclear Safety Commission			53.7		100%
New Structure					
Total (\$\$\$)	48.9	4.8	53.7		
FTEs	-	-		-	
% of Total	91%	9%			100%

Crosswalk from Old Structure

In September 1999, Treasury Board approved the Planning, Reporting and Accountability Structure (PRAS). The PRAS focuses on long-term intended results and provides the basis upon which corporate planning and reporting will occur. The business lines identified in the PRAS represent the two key program objectives outlined in legislation and in the mission statement (the regulatory mandate relating to **Health, Safety, Security and Environmental Protection** and responsibilities with respect to Canada's international obligations relating to **Nuclear Non-Proliferation and Safeguards**).

Financial Table 5 - Non-Respendable Revenues

Non-Respendable Revenues by Business Line (\$ millions)					
Business Lines	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Revenues	Total Authorities	Actual
Health, Safety, Security and Environmental Protection	32.7	34.3	37.6	-	39.7
Non-proliferation and Safeguards	-	-	-	-	-
Total Non-Respendable Revenues	32.7	34.3	37.6	-	39.7

The CNSC moved to a two business line structure from that of a single business line in the fall of 1999. As such, the above represents an estimate of the breakdown between the two business lines.

Financial Table 6 - Statutory Payments

Statutory Payments by Business Line (\$ millions)					
Business Lines	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Spending	Total Authorities	Actual
Health, Safety, Security and Environmental Protection	3.7	4.9	5.0	5.8	5.8
Non-proliferation and Safeguards	0.4	0.5	0.6	0.6	0.6
Total Statutory Payments	4.1	5.4	5.6	6.4	6.4

The CNSC moved to a two business line structure from that of a single business line in the fall of 1999. As such, the above represents an estimate of the breakdown between the two business lines.

Financial Table 7 - Transfer Payments

Transfer Payments by Business Line (\$ millions)					
Business Lines	Actual 1997-98	Actual 1998-99	Planned Spending	1999-00	
				Total Authorities	Actual
GRANTS					
Health, Safety, Security and Environmental Protection	-	-	-	-	-
Non-proliferation and Safeguards	-	-	-	-	-
Total Grants	-	-	-	-	-
CONTRIBUTIONS					
Health, Safety, Security and Environmental Protection	-	-	-	0.1	0.1
Non-proliferation and Safeguards	0.6	0.6	0.6	0.6	0.6
Total Contributions	0.6	0.6	0.6	0.7	0.7
Total Transfer Payments	0.6	0.6	0.6	0.7	0.7

All grants and contributions amounts are less than \$100,000 for all fiscal years except for the Contributions to the Cost-Free Manpower Assistance Program and to procure related goods and services required to execute the Canadian Support Program for the IAEA.

Section V: Departmental Overview

A. Mandate, Mission and Vision

Established in 2000 by the *Nuclear Safety and Control Act*, the Canadian Nuclear Safety Commission (CNSC) is a departmental corporation, named in Schedule II of the *Financial Administration Act*. It is the successor to the Atomic Energy Control Board which was established in 1946 by the *Atomic Energy Control Act*. The CNSC reports to Parliament, as an independent agency of the Government of Canada, through the Minister of Natural Resources Canada.

Under legislation enacted by Parliament, and policies, directives and international commitments of the federal government, the CNSC's mandate is to:

- regulate the development, production and use of nuclear energy in Canada;
- regulate the production, possession, use and transport of nuclear substances, and the production, possession and use of prescribed equipment and prescribed information;
- implement measures respecting international control of the development, production, transport and use of nuclear energy and nuclear substances, including measures respecting the non-proliferation of nuclear weapons and nuclear explosive devices;
- disseminate scientific, technical and regulatory information concerning the activities of the CNSC and the effects, on the environment and on the health and safety of persons, of the development, production, possession, transport and use referred to above; and
- undertake special projects.

The mission of the CNSC is to regulate the use of nuclear energy and materials to protect health, safety, security and the environment and to respect Canada's international commitments on the peaceful use of nuclear energy.

The CNSC has articulated its vision statement as: regulatory excellence based on knowledge, objectivity, and consideration of all viewpoints.

B. Departmental Organization

Business Line Description

The CNSC adopted two business lines in the fall of 1999. They are:

- *Health, Safety, Security and Environmental Protection*
The CNSC regulates the development, production, possession and use of nuclear energy, substances, equipment and information through a comprehensive licensing system. This system is designed to minimize the likelihood that nuclear workers, the public and the environment are exposed to unacceptable levels of radiation and to the radioactive or hazardous substances associated with nuclear technology. The CNSC regulates such operations and facilities as accelerators, non-power nuclear reactors, nuclear fuel facilities, nuclear research and test establishments, nuclear substance transport packages, pool-type irradiators, power reactors, radioisotopes, radioisotope production facilities, uranium mining and processing facilities and nuclear waste management facilities.
- *Non-Proliferation and Safeguards*
The CNSC regulates non-proliferation and safeguards through the implementation of safeguards agreements between Canada and the IAEA and the nuclear non-proliferation provisions of Canada's nuclear cooperation agreements; and the maintenance of both a comprehensive nuclear materials/activity accounting/verification framework and a nuclear export and import licensing system. In addition, the CNSC participates in multilateral nuclear non-proliferation, safeguards and security initiatives to strengthen the international nuclear non-proliferation regime. The CNSC also provides advice to senior government officials on the development and application of Canada's nuclear non-proliferation policy, IAEA safeguards implementation and development and international issues concerning the security of nuclear material and facilities.

The President of the CNSC has overall responsibility for the delivery of the CNSC's business lines. Directors General are accountable for the delivery of those segments of each business line that fall within their areas of responsibility. The Directorate of Corporate Services provides central financial, administrative, information management and human resources services that support both business lines.

Accountability for the Health, Safety, Security and Environmental Protection business line is shared among the Directors General of the Directorate of Reactor Regulation, the Directorate of Fuel Cycle and Materials Regulation, the Directorate of Environmental and Human Performance Assessment, and the Secretariat.

Accountability for the Non-Proliferation and Safeguards business line rests with the Director General of the Secretariat.

Organization

Under the *NSCA*, the Commission may consist of not more than seven permanent members. At present there are 4 permanent members, the President being the only full-time member. The President is also the Chief Executive Officer of the CNSC and, as such, supervises and directs the work of the organization. Through the President, the Commission receives advice from two independent committees composed of external technical experts: the Advisory Committee on Radiological Protection (ACRP) and the Advisory Committee on Nuclear Safety. Advice is also provided by the Department of Justice Canada through a Legal Services Unit at the CNSC, and by a full-time Medical Liaison Officer from Health Canada.

Effective September 1, 1999, the former Group of Medical Advisors (GMA) was dissolved, and its advisory functions incorporated into the ACRP. The GMA was composed of senior medical professionals nominated by the provinces, Atomic Energy of Canada Limited, the Department of National Defence and Health Canada. The revised mandate of the ACRP ensures continued representation by the medical community.

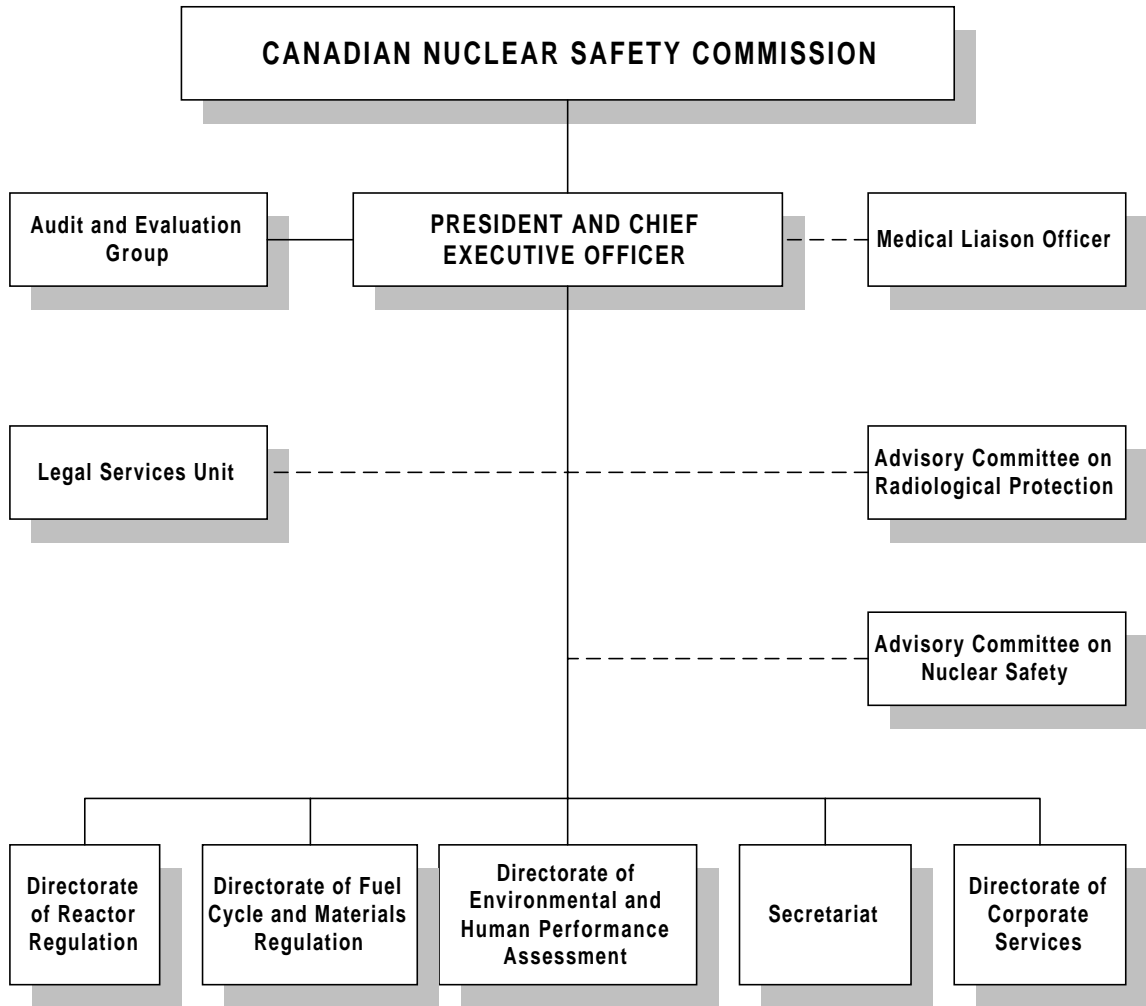
The Audit and Evaluation Group, which is responsible for examining corporate management accountability and program performance issues and for making recommendations for improvement, reports directly to the President.

CNSC staff implement the policies of the Commission and make recommendations to the Commission on licensing matters. Staff are grouped in five directorates.

- The **Directorate of Reactor Regulation** regulates all nuclear power plants in Canada. It develops safety standards and licensing conditions related to the construction and operation of power reactors, assesses licence applications, prepares licensing recommendations to the Commission, and is responsible for compliance activities related to the operation of power reactors.
- The **Directorate of Fuel Cycle and Materials Regulation** regulates uranium mining and milling, and the subsequent refining and processing into fuel. It also regulates research facilities, medical and industrial particle accelerators, radioisotope production and use, decommissioning activities, the management of radioactive waste, and packaging for the transport of radioactive materials. The directorate assesses licence applications, prepares licensing recommendations to the Commission, and is responsible for compliance activities within its areas of responsibility.

- The **Directorate of Environmental and Human Performance Assessment** assesses the performance of licensees in the areas of radiation and environmental protection, dosimetry services, quality assurance, personnel qualification and assessment, training and human factors. It is responsible for CNSC obligations related to the *Canadian Environmental Assessment Act*, for the investigation of accidents and other significant events, and for research programs and standards' development. The directorate provides technical training for CNSC personnel as well as foreign staff under cooperation agreements.
- The **Secretariat** provides administrative support to Commission and its advisory committees and working groups. It also provides services in the areas of external relations, corporate documents, public communications, and corporate planning and coordination. The Secretariat is also responsible for implementation of requirements to fulfil Canada's international non-proliferation, safeguards and security obligations, and for CNSC responsibilities under the *Access to Information Act* and the *Privacy Act*.
- The **Directorate of Corporate Services** manages the CNSC's human, information, financial and physical resources. It also administers its security and conflict of interest programs.

C. Organizational Chart



Note: ----- signifies an advisory role

Section VI. Other Information

A. Contact Information

For further information about the Canadian Nuclear Safety Commission, contact:

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K1P 5S9

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(613) 995-5894

Fax: (613) 995-5086

E-mail: info@cnsccsn.gc.ca

Internet: www.nuclearsafety.gc.ca

B. Legislation and Associated Regulations Administered by the CNSC

The Minister of Natural Resources Canada has sole responsibility to Parliament for the following Acts and associated Regulations:

Nuclear Safety and Control Act, 1997, c.9
Nuclear Liability Act, 1985, c. N-28

C. Other Departmental Reports

Atomic Energy Control Board, *Report on Plans and Priorities 2000-01*
Atomic Energy Control Board, *Annual Report 1999-2000*