

Canadian Nuclear Safety Commission

2004-2005 Estimates

Part III - Report on Plans and Priorities

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Minister of Natural Resources Canada

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I. Message from the President and Chief Executive Officer

I am pleased to present to Parliament and Canadians, the 2004-2005 Report on Plans and Priorities of the Canadian Nuclear Safety Commission (CNSC).

In preparing this report, in my third year as President and Chief Executive Officer, I am outlining the progress that we are making toward our vision of becoming one of the best nuclear regulators in the world. The plans and priorities articulated in this report will carry us forward on this ambitious path and represent our strategic plan.

This year, for the first time, our report on plans and priorities includes a new CNSC logic model that illustrates the difference the CNSC is making for Canadians. This model delineates the activity areas and outcomes which address how we deliver our mandate. We look forward to refining this model in the future and to developing a set of performance indicators that measure the achievement of the CNSC's actual outcomes against these priorities and plans.

As discussed in the report, the CNSC's five immediate outcomes stem from the legislated mandate given by Parliament to the CNSC through the *Nuclear Safety and Control Act* and respond to the priorities of the Government of Canada. These outcomes can be summarized as follows: a clear and pragmatic regulatory framework; safe operation of licensed activities with conformity to nuclear non-proliferation commitments; high levels of regulatory compliance; effective national and international cooperation; and stakeholder understanding of the regulatory program. As demonstrated in this report, these immediate outcomes deliver our ultimate outcome: ***safe and secure nuclear installations and processes solely for peaceful purposes; and public confidence in the nuclear regulatory regime's effectiveness.***

In ensuring the effectiveness of the nuclear regulatory regime, the CNSC remains committed to further modernizing its management practices. A Corporate Committee on Modern Management is implementing the CNSC's Management Model, based on the National Quality Institute's Canadian Quality Criteria for public sector excellence. As part of this model, the CNSC also continues to formalize its risk management approaches for decisions on regulatory priorities. The CNSC is also implementing an integrated results-based planning and performance management process that links plans to budgets and results.

As I have stated in the past, the CNSC's plans and priorities are designed to address the challenges of nuclear regulation and to improve the regulatory regime. In staying the course that has been set on behalf of our clients, the people of Canada, we remain committed to working with stakeholders, including licensees, to deliver on our mandate to protect health, safety, security and the environment and to respect Canada's international commitments on the peaceful use of nuclear energy.

Linda J. Keen

II. Management Representation Statement

Report on Plans and Priorities 2004-2005

I submit, for tabling in Parliament, the 2004-2005 Report on Plans and Priorities (RPP) for the Canadian Nuclear Safety Commission (CNSC).

This document has been prepared based on the reporting principles and disclosure requirements contained in the Guide to the Preparation of the 2004-2005 Report on Plans and Priorities:

- It accurately portrays the CNSC's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by Treasury Board Secretariat.
- It is comprehensive and accurate.
- It is based on sound underlying CNSC information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for results achieved with the resources and authorities provided.

Ginette Bergeron, CGA
Vice-President, Corporate Services Branch

Date

III. Raison d'être

Mission

The CNSC regulates 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.

Mandate

Under legislation enacted by Parliament, policies and international commitments of the federal government, the CNSC:

- regulates the development, production and use of nuclear energy in Canada;
- regulates the production, possession, use and transport of nuclear substances, and the production, possession and use of prescribed equipment and prescribed information;
- implements 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; and
- disseminates 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.

CNSC Vision

Within the context of its mission, the CNSC's vision is:

To be one of the best nuclear regulators in the world.

Participation in international and domestic regulatory fora, benchmarking our activities against other regulators and sharing best practices, provides the organization with a global context in which to assess the achievement of this vision.

Regulatory Philosophy

The CNSC's regulatory program is based on two accountability principles:

1. Those persons and organizations that are subject to the *Nuclear Safety and Control Act* (NSCA) and associated regulations are directly responsible for ensuring that the regulated activities in which they engage are managed so as to protect health, safety, security and the environment, and to respect Canada's international commitments on the peaceful use of nuclear energy.

2. The CNSC is responsible to the public for regulating persons and organizations that are subject to the *Nuclear Safety and Control Act* and associated regulations in order to assure that they are properly discharging their obligations.

IV. Planning Overview

Program Delivery

The CNSC's expenditure is funded by a budgetary lapsing authority. The CNSC complies with federal government policy with respect to recovery of costs for services by departments and agencies, including the costs of regulatory activities. The CNSC recovers these costs in accordance with its *Cost Recovery Fees Regulations* which are compliant with the Federal Government's External Charging Policy.

Revenue, including license fees, is deposited to the Consolidated Revenue Fund and is not available for use by the CNSC.

Planning Context

CNSC Outcomes – Results for Canadians

The CNSC's outcomes position the agency as a key contributor to the Government of Canada's performance. In the government report entitled *Canada's Performance 2003*, the government's overall performance is measured using the following four themes:

1. Economic Opportunities and Innovation in Canada.
2. The Health of Canadians.
3. The Canadian Environment.
4. The Strength and Safety of Canadian Communities.

With its clear mandate, the CNSC contributes in all of these areas and has articulated its **ultimate outcome** as follows:

Safe and secure nuclear installations and processes solely for peaceful purposes; and public confidence in the nuclear regulatory regime's effectiveness.

The mandate of the CNSC is not explicitly to support innovation and growth. However, the CNSC, via its practice of smart regulation, contributes to the sustainability of the nuclear industry by being an effective, transparent and trusted regulator to whom the public can look with confidence. The contribution of the CNSC to the last three themes is direct and is noted in *Canada's Performance 2003*.

To achieve its ultimate outcome, the CNSC's immediate outcomes are:

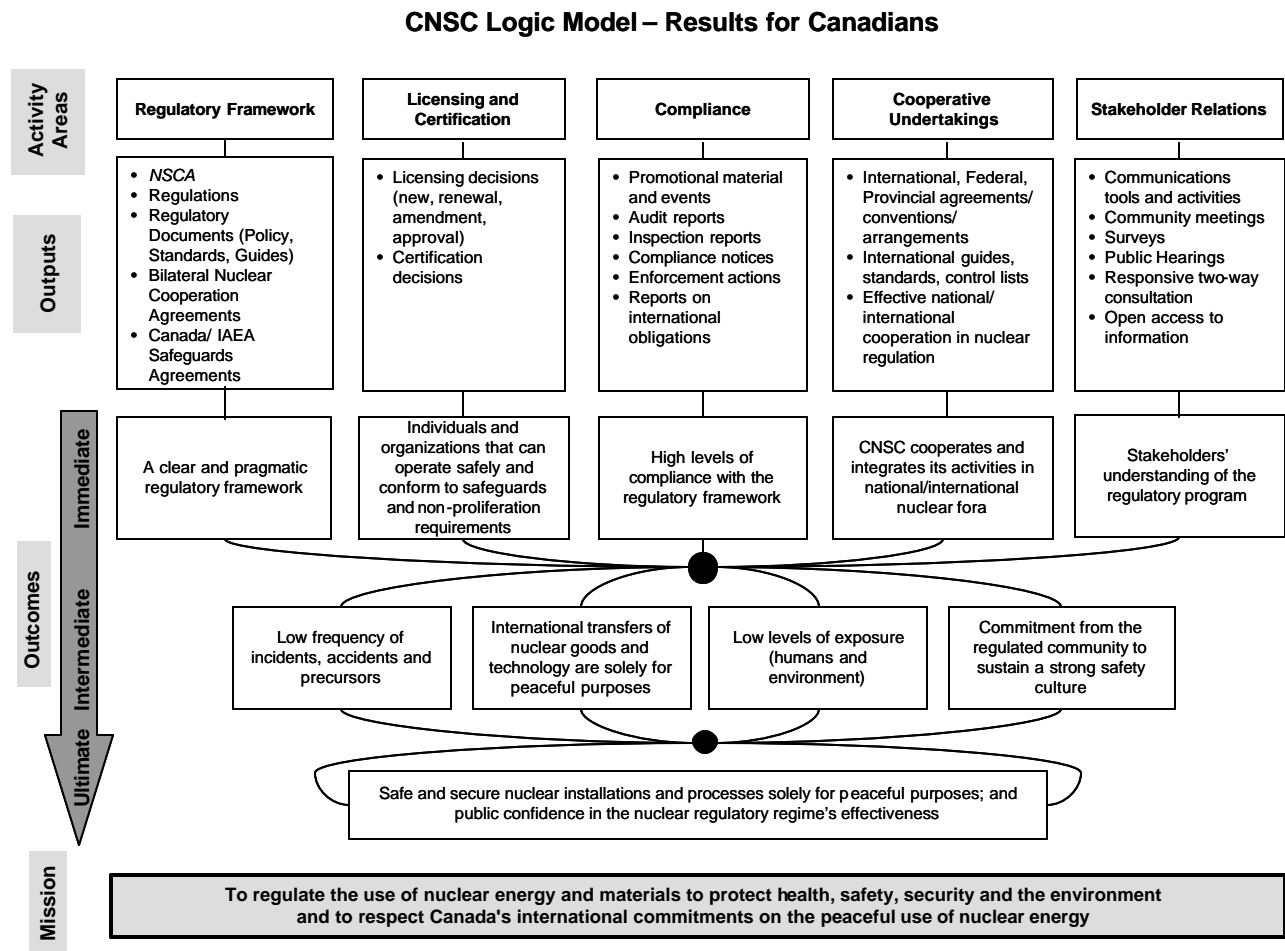
1. A clear and pragmatic regulatory framework;
2. Individuals and organizations that can operate safely and conform to safeguards and non-proliferation requirements;
3. High levels of compliance with the regulatory framework;

4. CNSC cooperates and integrates its activities in national/international nuclear fora; and
5. Stakeholders' understanding of the regulatory program.

These immediate outcomes are directly achieved by the CNSC's activities. The CNSC logic model (Figure 1) is a graphic representation of the logical linkages between activity areas and outcomes. The outputs are indicative at this time and will be further elaborated upon in future years.

In the planning process, the CNSC assesses its operating environment and the issues and risks to achievement of the outcomes. The plan reflects the strategic priorities that need to be addressed, the range of activities to be undertaken and the respective resource implications, in order to ensure that the outcomes are achieved.

Figure 1



V. Plans and Priorities

The CNSC has developed plans for each of the five immediate outcomes discussed in Section IV - Planning Context. Each outcome is achieved through activities in a respective activity area. By planning on the basis of outcomes, the CNSC ensures a consistent results-based approach to its activities across the organization and with stakeholders.

1. Immediate Outcome: Clear and pragmatic regulatory framework

The CNSC regulatory framework is composed of:

1. The *Nuclear Safety and Control Act* (NSCA), regulations and regulatory documents;
2. The *Safeguards Agreement and Additional Protocol* between Canada and the International Atomic Energy Agency (IAEA); and
3. Canada's Bilateral nuclear cooperation agreements with other nations.

The *NSCA* and new regulations under the Act came into force on May 31, 2000. With the new legislation, the CNSC is better equipped to move forward in designing and implementing an effective regulatory regime.

A new Regulatory Documents Framework has been established. The CNSC has also completed a risk-based review of existing and potential new regulations and will focus on amendments to those regulations where there exist the greatest benefits to protecting health and safety, security and the environment and to respect Canada's international commitments on the non-proliferation of nuclear weapons. Consistent with the Government of Canada's *Regulatory Policy*, the development and amendment of regulations will be performance-based and, where appropriate and practical, in line with international recommendations on nuclear regulations.

In the past year, the CNSC has enacted new *CNSC Cost Recovery Fees Regulations* and amended the *Packaging and Transport of Nuclear Substances Regulations*.

There is no statutory review period for the *NSCA* and the Commission has no plans to request such a review by the government in the short term. However, the CNSC continuously monitors the Act to ensure that it provides a sufficiently vigorous mandate for the activities required to achieve the CNSC's outcomes.

Priorities to 2007	Plans to 2007
<ul style="list-style-type: none"> • Modern <i>Nuclear Safety and Control Act</i> (NSCA), with powers to protect health and safety, security, the environment and to respect Canada's international commitments on the peaceful use of nuclear energy 	<ul style="list-style-type: none"> • Review on an ongoing, systematic and consultative basis, the <i>NSCA</i>, regulations under the Act and regulatory practices codified in regulatory documents
<ul style="list-style-type: none"> • Efficient regulatory system into which licensees and other stakeholders have appropriate input 	<ul style="list-style-type: none"> • Review <i>Rules of Procedure</i> for the Commission tribunal
<ul style="list-style-type: none"> • An evergreen risk-based approach to regulatory strategies, regulations and licensing requirements in line with Smart Regulation 	<ul style="list-style-type: none"> • Input into the Smart Regulation initiative of the Government of Canada • Develop specific <i>Safeguards Regulations</i> based on the requirements of the Safeguards Agreement and Additional Protocol • Revise the following existing regulations : <ul style="list-style-type: none"> - <i>Nuclear Security Regulations</i> - <i>Class II Nuclear Facilities and Prescribed Equipment Regulations</i> - <i>Nuclear Substances and Radiation Devices Regulations</i> - <i>Nuclear Non-Proliferation Import and Export Control Regulations</i>
<ul style="list-style-type: none"> • Comprehensive, integrated and consistent set of regulatory documents (Policies, Standards, and Guides) to clarify regulatory requirements and expectations 	<ul style="list-style-type: none"> • Develop regulatory policies, standards and guides in accordance with priorities identified in CNSC-approved Regulatory Documents Framework; Start with a regulatory policy to promote consistency and clarity regarding the way in which CNSC achieves its regulatory objectives • Influence and adopt international standards where applicable to the Canadian context

Challenges and risks

The government's focus on Smart Regulation will require analysis and development of appropriate measures to respond to this policy approach. The CNSC will continue to actively cooperate with the Forum on Smart Regulation.

The government's recently-approved *External Charging Policy* and the CNSC's cost recovery program (both of which are reflected in the CNSC's *Cost Recovery Fees Regulations* which came into effect in July 2003) will pose ongoing challenges to the CNSC with respect to demonstrating its regulatory effectiveness and efficiency, yet being flexible to ongoing licensees' plans which can frequently change. There will continue to be pressures from licensees for better

planning of regulatory work for which they are charged, for improved service standards and for greater regulatory clarity and certainty.

Deregulation of electricity markets has opened up the nuclear power industry to private sector investment, raising the issue of increasing financial risks and legal responsibility in the event of potential economic difficulties and decommissioning. The CNSC has placed increased emphasis on obtaining financial guarantees from these companies for potential operating and decommissioning liabilities to protect Canadians and the environment.

With respect to the international environment, heightened concerns on the part of the international community, including the IAEA, regarding possible nuclear weapons programs in a number of other countries may lead to concrete steps to further strengthening the international nuclear non-proliferation regime. This in turn may have implications for the CNSC's regulatory framework. In addition, recommendations of international bodies such as the International Commission on Radiological Protection and the IAEA, can be expected to exert greater influence on the CNSC to remain in conformity with the international community on regulations affecting the nuclear industry and the public. This can result in the re-prioritizing of regulatory efforts.

2. Immediate Outcome: Individuals and organizations that can operate safely and conform to safeguards and non-proliferation requirements

The *Nuclear Safety and Control Act* gives authority to the CNSC to issue licences or certify persons to conduct nuclear-related activities in Canada. In order to issue a licence or certification, the CNSC must obtain evidence of the licensees' ability to operate safely and conform to safeguards and non-proliferation obligations.

To be as effective and efficient as possible in its licensing and certification activities, the CNSC will continue to improve the consistency, clarity and balance of the licensing and certification process, including the use of information technology.

Priorities to 2007	Plans to 2007
<ul style="list-style-type: none"> • Optimization of the licensing principles, framework and methodology for all licensing and certification activities 	<ul style="list-style-type: none"> • Use a consistent risk-based methodology for licensing priorities and resource allocation across all licensing areas • Optimize licence periods for verification of performance and compliance • Formulate an approach for licensing of new or refurbished nuclear power plants and possible waste management solutions • Formulate an approach for decisions on end-of-life of facilities • Integrate the licensing for nuclear facilities where a number of licences are now required for different processes at a single facility
<ul style="list-style-type: none"> • Clarification of licensing and certification processes 	<ul style="list-style-type: none"> • Clarify licensing expectations and application requirements through clear communication with licensees and improved documentation of processes
<ul style="list-style-type: none"> • Assurance that nuclear activities and facilities in Canada are conducted with adequate provision for protection of health, safety, security and the environment and the fulfillment of commitments to the peaceful use of nuclear energy 	<ul style="list-style-type: none"> • Continue to conduct the CNSC's comprehensive and diligent system of licensing and certification • Continue the special focus on security within updated Government and International requirements
<ul style="list-style-type: none"> • Utilization of information technology to strategic advantage in licensing and certification consistent with the Government-on-line initiative 	<ul style="list-style-type: none"> • Enhance and integrate a system for capturing licensee information including developing and implementing a secure electronic licensing system • Implement a new, integrated system to account for nuclear materials subject to IAEA safeguards and bilateral agreements
<ul style="list-style-type: none"> • Improvement of the effectiveness of the role of the Commission Tribunal in licensing 	<ul style="list-style-type: none"> • Undertake an evaluation and implement improvements to the tribunal process

Challenges and risks

The CNSC will implement a consistent risk-based approach across a licensee base that represents a very broad risk spectrum from power reactors to uranium mines to radiography. Extending an approach that is already implemented in nuclear substance regulation into the licensing of complex power reactors and other major facilities will present a significant challenge.

Moving toward risk-informed methodologies requires a strong commitment to substantial change in some areas of licensing and resource commitments to ongoing regulatory work. The CNSC will need to balance the change required against the resulting benefits to optimize the outcome.

Our environmental scan, which included input from licencees, indicates that there will be increased demands put on us with the potential for new and expanded uses of nuclear substances, materials or equipment and devices in virtually all areas of licensing. The CNSC foresees a broad, complex and variable future that it must be prepared to face as the regulator. This will require new approaches and increased financial resources, both cost recovered and non-cost recovered, if the CNSC is to ensure that licences are issued only to individuals and organizations that can operate safely and conform to safeguards and non-proliferation requirements and that the licensing process does not unduly affect the pace of innovation and growth.

The use of information technology to strategically improve licensing and certification will require the development of expensive new systems. These systems will need to be coordinated with licensee systems and be appropriately secure.

3. Immediate Outcome: High levels of compliance with the regulatory framework

Compliance with the regulatory framework and licence requirements is imperative to achieving the CNSC's ultimate outcome. In achieving this immediate outcome, the CNSC has a range of compliance strategies available, from promotion of compliance, safety culture and common safety values, to compliance audits, inspections and enforcement actions.

Over the planning period, the immediate outcome is for CNSC licencees to exhibit a high level of compliance with the CNSC's regulatory framework.

The focus for the CNSC's compliance program for the planning period is to ensure continuous improvement by licencees. The program is directed at explaining, verifying, and ensuring that regulatory requirements are understood and respected. The program also establishes a consistent, risk-based approach that ensures that resources for CNSC compliance activities are allocated to areas that will result in the greatest benefit to Canadians.

All results from the CNSC compliance program are reported on and reviewed by CNSC staff. For the major power reactor facilities, report cards and annual reports on safety performance and compliance are published in paper form and on the CNSC web site. The performance of other major licencees is also reported in public meetings before the Commission, and detailed information is also made available on request. This transparency provides the public an assurance about the safety and security of nuclear facilities and materials, and builds confidence in the CNSC's nuclear regulatory regime.

Priorities to 2007	Plans to 2007
<ul style="list-style-type: none"> • A fully integrated system for planning, conducting, reporting, and measuring the effectiveness of compliance activities for all licensees 	<ul style="list-style-type: none"> • Develop integrated strategies emphasizing licensee safety culture and safety management • Promote inter-licensee dialogue on compliance • Develop integrated inspection plans • Complete integration of the management of compliance activities into the results-based corporate planning and accountability processes and implement relevant performance measures • Build an on-line system for CNSC staff to access current compliance information, inspection results, and trends
<ul style="list-style-type: none"> • Risk-based compliance strategies to guide all compliance activities 	<ul style="list-style-type: none"> • Implement a dynamic risk ranking process for all licensees that informs the selection of compliance strategies
<ul style="list-style-type: none"> • Provision of regulatory assurance to Canadians of the continuing compliance and safety performance of licensees 	<ul style="list-style-type: none"> • Continue to conduct a strong compliance program • Continue to improve communication of compliance results to stakeholders

Challenges and Risks

Licensees request consistent approaches, alternative regulatory strategies such as voluntary mechanisms and ultimately a less burdensome regulatory regime. At the same time, licensees do not have a consolidated or common approach to nuclear safety and it is difficult to provide uniformity in the regulatory regime while addressing such a wide variety of approaches. The ultimate and overriding concern of the CNSC is the safety of the Canadian public and any efficiency measures must not take precedence over the effectiveness of the regulatory regime.

Compliance reports are also highly technical and detailed and require expert interpretation in assessing risk. Therefore, the conclusions and safety ratings of compliance reports are not easily interpretable by the public. This requires vigilance by the CNSC to remain open and transparent and ensure media and other reports are accurate.

4. Immediate Outcome: CNSC cooperates and integrates its activities in national/international nuclear fora

To achieve its ultimate outcome, the CNSC must work cooperatively with a number of other national and international organizations.

At a national level, these organizations include Environment Canada, the Department of Public Safety and Emergency Preparedness, the Department of Foreign Affairs (DFA), the Department of International Trade (DIT), the Canadian Standards Association. These organizations include at the provincial level, emergency measures organizations, environmental and mining departments, such as the Province of Saskatchewan.

Internationally, the Government of Canada has entered into bilateral agreements with the IAEA on nuclear safeguards verification and with numerous countries on nuclear non-proliferation frameworks for nuclear trade. The Government of Canada has also made multilateral commitments relating to nuclear export controls, physical protection, transportation, power reactor safety, and spent fuel and radioactive waste management safety. Under the NSCA, the CNSC is mandated to implement Canada's bilateral and multilateral commitments on the peaceful use of nuclear energy in each of these areas.

Cooperation by the CNSC with appropriate federal, provincial and private sector organizations contributes to more effective and efficient nuclear regulation. Such cooperation makes the best use of relevant expertise nationally on specific domestic regulatory issues while at the same time minimizes the potential for duplication of regulatory effort. Respective roles and responsibilities of participating organizations are described in bilateral Memoranda of Understanding (MOUs).

Similar MOUs define the CNSC's cooperative relationships with foreign nuclear regulators for the sharing of regulatory information and best practices and the conduct of foreign training on the CNSC's regulatory approach to the use of nuclear technology and materials. Also at the international level, the CNSC's cooperation and involvement in international nuclear organizations, including the IAEA, the Organization for Economic Co-Operation and Development (OECD) and the Nuclear Energy Agency, help to promote Canadian values and interests and embrace international recommendations, standards and guides in the CNSC's regulatory framework. International cooperation and involvement by the CNSC also extends, in partnership with the DFA, to the negotiation and implementation of multilateral nuclear treaties, conventions and arrangements as well as of bilateral nuclear cooperation agreements with nuclear trading partners. Through these activities, the CNSC contributes to strengthening the international regimes governing nuclear safety, nuclear security, and nuclear non-proliferation and safeguards.

Priorities to 2007	Plans to 2007
<ul style="list-style-type: none"> • Effective cooperation with international, federal and provincial organizations, departments and agencies 	<ul style="list-style-type: none"> • Develop a framework for establishing and reviewing cooperative arrangements with federal and provincial organizations, departments and agencies, and foreign nuclear regulators on an evergreen basis
<ul style="list-style-type: none"> • Effective, efficient and cooperative CNSC Emergency Preparedness framework and infrastructure 	<ul style="list-style-type: none"> • Maintain and continuously improve the CNSC's emergency response capacity and influence on other federal, provincial and municipal participants
<ul style="list-style-type: none"> • Effective and targeted participation in international organizations, conferences and workshops • Strong cooperative working relationships with strategic nuclear regulatory partners 	<ul style="list-style-type: none"> • Implement a framework, including tracking and reporting mechanisms, for determining and evaluating the CNSC's participation in international activities on nuclear-related matters
<ul style="list-style-type: none"> • Effectively and efficiently implement Canada's international commitments on the peaceful use of nuclear energy 	<ul style="list-style-type: none"> • Apply the requirements of multilateral conventions and arrangements on the physical protection of nuclear material, nuclear power reactor safety, spent fuel and radioactive waste management safety, and the safe transportation of radioactive material • Strengthen the multilateral guidelines and export control lists on nuclear supply to counter contemporary nuclear proliferation threats, in collaboration with other nuclear suppliers • Exercise controls with bilateral partners on the peaceful use of nuclear goods and technology exported or imported under Canada's nuclear cooperation agreements • Cooperate with the IAEA on domestic safeguards challenges by improving the efficiency of international verification of nuclear material in Canada and addressing Canada's safeguards equipment requirements
<ul style="list-style-type: none"> • Contribute to improving the effectiveness and efficiency of the IAEA safeguards regime 	<ul style="list-style-type: none"> • Provide technical support and other resources necessary to strengthen IAEA safeguards
<ul style="list-style-type: none"> • Optimization of safeguards implementation in Canada, taking account of all information and measures made available to the IAEA 	<ul style="list-style-type: none"> • Cooperate with the IAEA in the development and introduction of an integrated safeguards approach for Canada

Challenges and risks

CNSC's mandate is clearly outlined in the *NSCA*, which specifies federal authority for nuclear regulatory activities. Therefore, the CNSC/provincial interface is limited to areas such as uranium mining (i.e., CNSC/Province of Saskatchewan Memorandum of Understanding) and emergency preparedness.

Jurisdictional issues need to be carefully considered and respected when establishing formal cooperative arrangements in Canada in emergency preparedness. There are a number of federal departments and agencies with defined responsibilities under the Federal Nuclear Emergency Plan. There are also provincial and municipal departments with legislated responsibilities for emergency preparedness and response. The new federal Department of Public Safety and Emergency Preparedness will have an impact on how the CNSC works with these partners.

Cooperative arrangements with international organizations, federal departments and agencies, and provincial and municipal governments require clear strategies, resources and an ongoing engagement. The CNSC's financial, scientific and technical resources for developing, implementing and maintaining these arrangements are limited.

As the federal nuclear authority, the CNSC plays a major role in the international arena, working in collaboration with the DFA to promote a more effective and comprehensive international nuclear non-proliferation regime. Increased threats to that regime by countries harbouring nuclear weapons ambitions or engaging in proliferation-related activities, underline the need to be ever vigilant in controlling Canada's nuclear exports pursuant to the *NSCA*, and to strengthening the overall regime where possible. These growing demands will require prioritization and likely a demand for more resources to meet international pressures, especially since international agencies are requiring greater contributions from Canada in their activities.

The CNSC will need to enhance its activities in bringing its technical knowledge and perspectives to bear on international non-proliferation and safeguards issues. The increasing demands on the CNSC in this area will require discussion and clarification of roles with the DFA and the DIT.

The CNSC has worked closely with the US Nuclear Regulatory Commission and the future could require fitting this close, inter-agency relationship into the broader Canada/U.S. agenda of the Government of Canada.

5. Immediate Outcome: Stakeholders' understanding of the regulatory program

The CNSC is committed to operating with a high level of transparency. This involves engaging stakeholders through a variety of appropriate consultation processes, effective information sharing and communications.

The CNSC staff has continuously engaged stakeholders in various outreach activities in support of transparency. Outreach activities include:

- meetings with town councils/municipalities in the vicinity of key facilities;
- public hearings of the tribunal, including those held outside of Ottawa;
- consultations with licensees and other stakeholders on regulations;
- presentations by the CNSC President and executives at various seminars and meetings of stakeholders;
- benchmarking and other activities with other regulators; and
- international conferences and events.

The CNSC Executive Committee recently approved the framework for a new, more formalized Outreach Program. It will be implemented starting in May 2004. The Program will help ensure that CNSC outreach activities are focused, effective and make the best use of limited resources. The Outreach Program will:

- provide the context and framework for outreach activities;
- provide tools and materials for existing and new activities;
- set targeted, measurable outcomes;
- track and continuously seek to improve the CNSC's performance in doing outreach;
- identify opportunities for new activities; and
- provide the structure and necessary resources to support CNSC staff to carry out related activities.

In parallel with the Outreach Program, the CNSC will continue to monitor the public environment and issues and develop and implement proactive and reactive communications plans for external stakeholders.

An active communications program comprised of various tools such as an up-to-date web site, and general, plain-language brochures on the CNSC and its various roles, can increase Canadians' level of awareness of the CNSC and its role as Canada's nuclear regulator and enhance public confidence. A Corporate Committee on Communications has been created to provide a representative forum for the discussion of communications issues and to encourage an exchange and cross-fertilization of ideas from across the CNSC.

Priorities to 2007	Plans to 2007
<ul style="list-style-type: none"> Increased knowledge of key stakeholder issues and concerns 	<ul style="list-style-type: none"> Undertake stakeholder surveys to form a baseline of information on knowledge of the CNSC and level of satisfaction with the CNSC's performance as regulator
<ul style="list-style-type: none"> Assurance that Canadians have knowledge of and confidence in the CNSC as regulator Improvement in communication, consultation and sustained, predictable relationships with key stakeholders directly affected by the CNSC's regulatory regime 	<ul style="list-style-type: none"> Implement a well-structured and sustainable Outreach Program Review the CNSC web site and revise the information to improve its interactivity, user-friendliness, etc. on an evergreen basis
<ul style="list-style-type: none"> Awareness among stakeholders of the process to become an active intervenor in the licensing process (e.g., participation in Commission Hearings) 	<ul style="list-style-type: none"> Implement better processes for diffusion of Commission proceedings including such tools as web-casting and increased access to documentation

Challenges and risks

In considering stakeholder relations, the CNSC must address two groups of stakeholders: (i) stakeholders, including licensees, who have a direct interest in, or are directly affected by the Canadian nuclear industry and its regulation and (ii) the Canadian public, the CNSC's client, in whose interest the CNSC regulates the Canadian nuclear industry. The first group has a general knowledge of the CNSC's role, whereas the second group is largely unaware.

The most significant challenge faced by the CNSC with respect to meeting this outcome is how to communicate effectively with the Canadian public since previous focus group and survey work has shown that awareness of the CNSC and its role as Canada's nuclear regulator is low.

The publication and dissemination of CNSC information particularly relating to public hearings of its tribunal on the internet in a timely manner is affected by the CNSC's respect to the *Official Languages Act*. The time required for necessary translation results in either documents not being published or delays in the issuance of documentation.

Management and Enabling Infrastructure

CNSC management and enabling infrastructure ensures that the Commission Tribunal and the CNSC staff have the necessary services to fulfill their mandates in the most effective and efficient manner. They also ensure that the CNSC has a qualified, motivated workforce now and in the future. The infrastructure must ensure that CNSC meets or exceeds the accountability requirements of central and parliamentary agencies and adopts best corporate practices.

Modern Management

In 2002, the CNSC undertook an assessment of its management practices using the Federal Government's Modern Comptrollership Capacity Assessment tool. The capacity assessment provided a baseline reading of existing management practices at the CNSC against a common standard. The report indicated that the CNSC has a number of good modern management practices already in place, and identified opportunities for improvement. Based on this capacity assessment, stakeholder feedback obtained during the cost recovery consultations, (http://www.nuclearsafety.gc.ca/eng/regulatory_information/pdf/04_25_03_GP1.pdf) the recommendations of the Office of the Auditor General (OAG), (http://www.nuclearsafety.gc.ca/eng/about_us/PDF/OAG_Report_03.pdf) as noted in the OAG report dated December 2000, and subsequent CNSC progress reports, (http://www.nuclearsafety.gc.ca/eng/about_us/organization/Ar01-02.cfm), the Executive Committee approved three key priorities for action over the next two years. The priorities are:

- an integrated planning process that links strategies to results and to budgets;
- clarification of roles, responsibilities and accountabilities within key business processes; and
- continued focus on an effective workforce sustainability strategy.

These priorities form the basis of the CNSC's *Modern Management Improvement Plan*. In addition, the CNSC has established a Corporate Committee on Modern Management that reports directly to the Executive Committee. This group, comprised of a cross section of management, will oversee the implementation of the improvement initiatives and the ongoing identification of new requirements. The CNSC is committed to rigorous and continuous improvement and plans to undergo periodic re-assessments of management capacity in order to evaluate improvement and to set future improvement priorities.

In addition to the three priorities, a project will be undertaken, starting in 2004, to develop a formal values and ethics approach. The objective is to discuss the public service values policy in the context of the realities and culture of this regulatory agency. This approval will be developed through consultations with staff and managers.

The CNSC is taking a strategic look at its information management capabilities and will develop an action plan to integrate this function with the overall management system. In order to continuously improve effectiveness and efficiency, IT solutions will be integrated into this improvement initiative. An Information Technology Steering Committee provides a rigorous procedure for approval of IT improvement projects, ensuring optimal value for money, consistency with corporate outcomes and integration across the CNSC.

Reporting to the Executive Committee, the CNSC has created a Corporate Committee on Human Resources consisting of various CNSC managers. It is a steering body that serves as a strategic cross-functional forum providing advice and guidance to the Human Resources Directorate. The committee works to ensure that human resource management activities at the CNSC are directly achieving the organization's requirements, especially in the attraction and retention of well qualified, motivated staff and in improving leadership skills.

In addition, an internal communications subcommittee of the Corporate Committee on Communications is advising the Executive Committee and managers about ways to best consult and communicate with staff on a wide range of initiatives.

The CNSC’s current management improvement agenda addresses most of the elements of Treasury Board’s *Management Accountability Framework*. The framework translates the vision of modern public service management, as established in *Results for Canadians*, into a set of management expectations.

Priorities to 2007	Plans
<ul style="list-style-type: none"> • Results-based planning and management processes 	<ul style="list-style-type: none"> • Implement an integrated planning process that links strategies to results and to budgets – integrate into the performance contracts for all management • Implement a systematic Performance Management and Reporting Process including key corporate measures of performance • Integrate a corporate risk framework into the strategic planning process • Improve timeliness and relevance of management information
<ul style="list-style-type: none"> • Corporate processes to enhance effectiveness, efficiency and consistency in CNSC’s management 	<ul style="list-style-type: none"> • Clarify roles, responsibilities and accountabilities within key business processes • Implement an integrated information management improvement plan including developing required information technology tools • Maximize efficiency and consistency of CNSC accommodation policies and utilization • Benchmark the corporate services against those of similar public sector organizations • Develop a business continuity planning program to ensure minimal or no interruption to the availability of critical services and assets
<ul style="list-style-type: none"> • Attraction and retention of excellent staff 	<ul style="list-style-type: none"> • Implement the workforce sustainability strategy • Implement health and safety improvement initiatives for staff (i.e., physical environment, health evaluations, protective equipment, training, etc.) • Establish an employment equity plan • Implement a modernized Values and Ethics program
<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Strengthen leadership and management capacities

Challenges and risks

The CNSC, as other government organizations, has limited resources to design and implement programs to meet increased demands for accountability. New requirements outlined by the government, including a program review, will impact the resources that are available for other corporate improvement initiatives. In addition, the CNSC is subject to an ongoing OAG follow-up to its 2000 value for money audit. This follow-up review has been delayed by external circumstances and could result in resources being refocused on any yet unreported improvement areas therefore, delaying CNSC efforts to address other modern management initiatives.

The CNSC has an aging workforce. Many knowledgeable individuals with specific scientific expertise will retire over the next ten years. The CNSC is addressing this issue through an increased focus on knowledge management, training and recruitment of skilled people, as part of the workforce sustainability strategy, but new forecasts of industry growth could provide more pressure as there is competition for the same workforce.

The CNSC is implementing significant improvement initiatives that are changing the corporate culture. This requires strong and capable leadership. The CNSC is seeking to strengthen its leadership capacity and internal communication capabilities.

Resource Implications of Plans and Priorities: Planned Spending

(\$ thousands)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Health, Safety, Security & Environmental Protection	54,606	59,821	60,030	58,989
Non-proliferation and Safeguards	5,464	5,554	5,534	5,534
Budgetary Main Estimates	60,070	65,375	65,564	64,523
Non-Budgetary Main Estimates (gross)	0	0	0	0
Less: Respendable revenue	0	0	0	0
Total Main Estimates	60,070	65,375	65,564	64,523
<i>Adjustments (Planned Spending not in Main Estimates):*</i>				
<i>Canadian Environmental Assessment Act</i>	85	0	0	0
Workload Pressures	3,350	0	0	0
Compensation adjustment 2003-2004: TB Vote Transfer	1,128	0	0	0
Advanced CANDU Reactors	4,080	5,100	4,760	643
Carry Forward	2,553	0	0	0
Other	120	120	120	120
<i>Total Adjustments</i>	<i>11,316</i>	<i>5,220</i>	<i>4,880</i>	<i>763</i>
Net Planned Spending	71,386**	70,595	70,444	65,286
Less: Non-respendable revenue	42,580	50,195	52,396	50,820
Plus: Cost of services received without charge	7,073	7,450	7,488	7,518
Net cost of Program	35,879	27,850	25,536	21,984
Full Time Equivalents	527	530	529	505

* Adjustments to accommodate approvals obtained since the Main Estimates and include Supplementary Estimates.

** Reflects forecast spending to the end of the fiscal year.

VI. Organization

Organization

The CNSC is composed of (i) a Commission of up to seven members and (ii) a staff of approximately 506 employees.

The Commission

The Commission, supported by the Secretariat, functions as a quasi-judicial administrative tribunal, making independent decisions on the licensing of nuclear-related activities in Canada; establishing legally-binding regulations; and setting regulatory policy direction on matters relating to health, safety, security and environmental issues affecting the Canadian nuclear industry. The Commission takes into account the views, concerns and opinions of interested parties and intervenors. The Commission also delegates to Designated Officers the authority to render licensing decisions for certain categories of nuclear facilities and activities in accordance with the requirements of the *Nuclear Safety and Control Act* (NSCA) and its associated Regulations.

The NSCA provides for the appointment of up to seven Commission members by the Governor in Council. Part-time members serve as permanent members for a term not exceeding five years. One member of the Commission is designated as the President of the Commission. This position is currently held by Linda J. Keen.

The Secretariat manages the business of the Commission and provides technical and administrative support to the President and other Commission members. This includes communications with the Minister's office and other stakeholders, including government departments, intervenors, licensees, media and the public on tribunal matters. The Secretariat is the official registrar for Commission documentation, and also manages the hearing process.

CNSC Staff

CNSC staff supports the Commission by developing regulatory frameworks, making recommendations, carrying out inspections, enforcing regulatory requirements, coordinating the CNSC's international undertakings, developing CNSC-wide programs in support of regulatory effectiveness, and providing administrative support to the organization. In addition, the staff prepares recommendations on licensing decisions, presents them to the Commission for consideration during public hearings and subsequently administers the Commission's decisions.

Operations Branch

The Operations Branch is responsible for regulating the development, production and use of nuclear energy, the production, possession, transport and use of nuclear substances and radiation devices in accordance with the requirements of the *NSCA* and its associated Regulations.

The Operations Branch is organized to provide focus on the regulation of different sectors of the nuclear industry and support the implementation of consistent regulatory and business processes. The management hierarchy and mandates of the Branch directorates establish accountability and authority for the leadership of regulatory activities.

The Branch consists of five directorates – the Directorate of Power Reactor Regulation, the Directorate of Operational Strategies, the Directorate of Assessment and Analysis, the Directorate of Nuclear Cycle and Facilities Regulation, and the Directorate of Nuclear Substance Regulation – with clear mandates to deliver all regulatory functions to a specific group of licensees, or provide operational strategies or specialist assessments in support of regulatory functions.

Office of International Affairs

The Office of International Affairs is responsible for coordinating the CNSC's international undertakings and activities with respect to Canada's international commitments on the peaceful use of nuclear energy. The Office also implements Canada's bilateral nuclear cooperation agreements and safeguards agreement, including the Additional Protocol, with the IAEA, and provides authoritative advice on the development and application of Canada's nuclear non-proliferation and safeguards policy, including multilateral nuclear non-proliferation issues.

The Office licenses the export and import of controlled nuclear and nuclear-related dual-use items. Licences are granted in accordance with the *Nuclear Safety and Control Act* and its associated regulations and international obligations to which Canada has agreed. The Office also implements Canada's bilateral nuclear cooperation agreements and safeguards agreements with the IAEA, and manages a research and development program in support of IAEA safeguards.

Office of Regulatory Affairs

The Office of Regulatory Affairs is responsible for CNSC programs, such as outreach, and initiatives or actions that enhance the CNSC's regulatory effectiveness, efficiency and overall operation. This includes management of the *Nuclear Safety and Control Act* and its associated regulations.

Corporate Services Branch

Corporate Services Branch is responsible for the CNSC's programs and policies for the management of its financial and human resources and its information, physical and information technology assets. It is also responsible for the organization's communications, strategic planning and initiatives related to Modern Comptrollership.

Legal Services Unit

The Legal Services Unit, staffed by Department of Justice lawyers, provides legal advice to the Commission and CNSC staff.

Audit and Ethics Group

The Audit and Ethics Group is responsible for examining corporate management accountability and program performance issues, and for making improvement recommendations.

Accountability

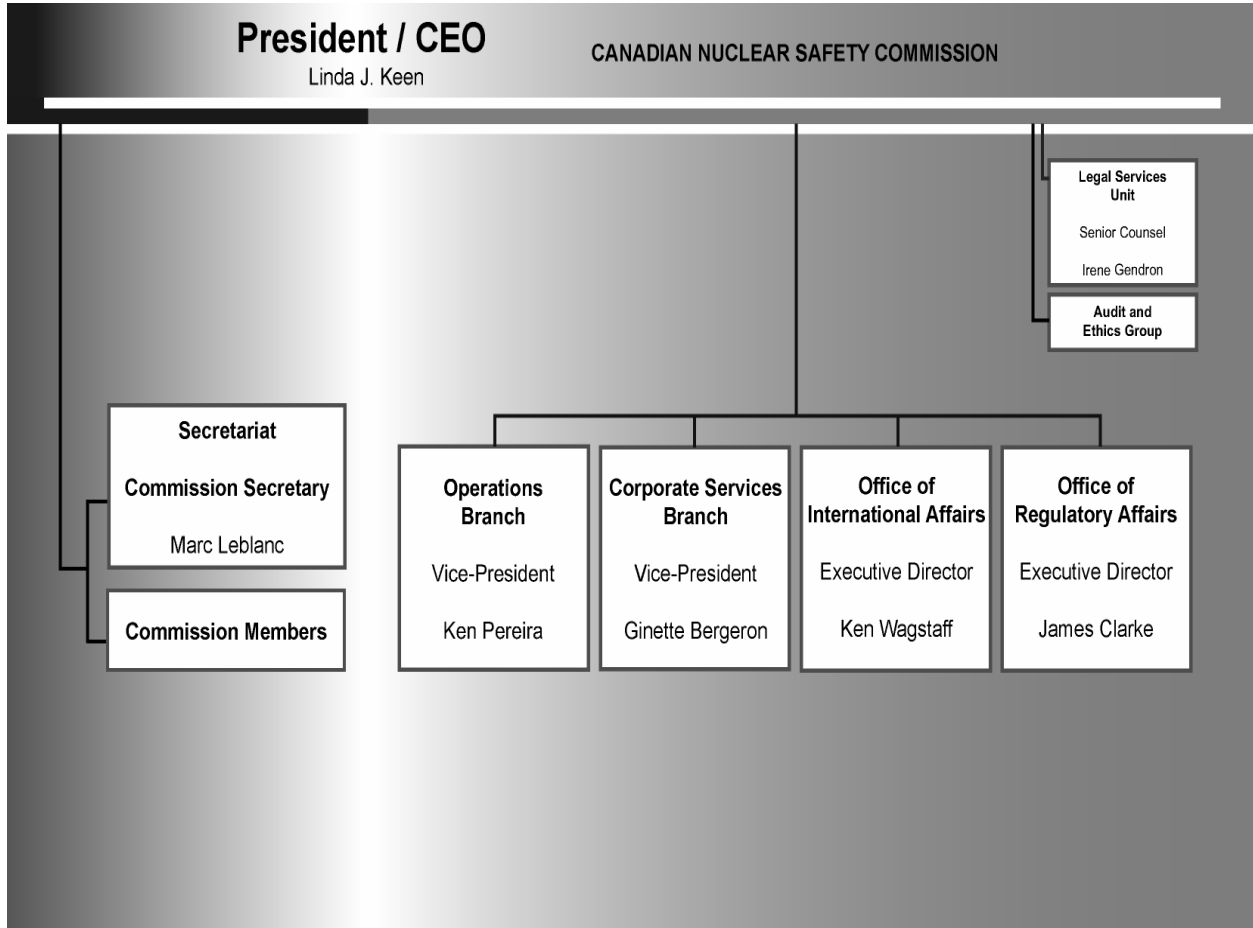
The Chief Executive Officer of the CNSC has overall responsibility for the delivery of the CNSC's strategic outcome.

Canadian Nuclear Safety Commission Outcomes by Organizational Unit and Resource Summary

CNSC Unit	Immediate Outcomes	Clear and pragmatic regulatory framework	Individuals and organizations that can operate safely and can conform to safeguards and non-proliferation requirements	High levels of compliance with the regulatory framework	CNSC cooperates and integrates its activities in national / international nuclear fora	Stakeholders' understanding of the regulatory program
	Activity Areas	Regulatory Framework	Licensing and Certification	Compliance	Cooperative Undertakings	Stakeholder Relations
Power Reactor Regulation		V	V	V	V	V
Operational Strategies		V			V	V
Assessment and Analysis		V	V	V	V	V
Nuclear Cycle and Facilities Regulation		V	V	V	V	V
Nuclear Substance Regulation		V	V	V	V	V
International Affairs		V	V	V	V	V
Regulatory Affairs		V			V	V
Commission Secretariat				V		V
Forecast Spending 2003-04 *	\$000's	5,271	16,195	28,029	15,059	6,832
	FTE's	32	129	223	91	52
Planned Spending 2004-05	\$000's	6,986	16,366	28,462	14,635	4,146
	FTE's	44.61	133.34	230.76	91.29	30.20

* Reflects forecast spending to the end of the fiscal year.

Organization Chart



VII. Annexes - Tables

Table 1: Summary of Capital Spending by Program and Business Line – not applicable

Table 2: Details on Project Spending – not applicable

Table 3: Status Report on Major Crown Projects – not applicable

Table 4: Summary of Transfer Payments

(\$ thousands)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Grants	20	20	20	20
Total grants	20	20	20	20
Contributions	622	622	622	622
Total contributions	622	622	622	622
Other Transfer Payments	0	0	0	0
Total other transfer payments	0	0	0	0
Total Grants, Contributions and Other Transfer Payments	642*	642	642	642

* Reflects forecast spending to the end of the fiscal year.

Table 5: Details on Transfer Payments Programs – not applicable

Table 6: Foundations (Conditional Grants) – not applicable

Table 7: Major Initiatives and/or Programs – not applicable

Table 8: Sources of Respendable and Non-Respendable Revenue**Respendable Revenue**

(\$ thousands)	Forecast Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
Total Respendable Revenue	0	0	0	0

Non-respendable Revenue

(\$ thousands)	Forecast Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
Cost Recovery Revenue	42,580	50,195	52,396	50,820
Total Non-respendable Revenue	42,580	50,195	52,396	50,820

Total Respendable and Non-respendable Revenue	42,580	50,195	52,396	50,820
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Table 9: External Charging

External Charging Information	
Name of Fee Activity	Regulatory Service Fee
Fee Type	Regulatory Service (R)
Fee Setting Authority	<i>CNSC Cost Recovery Fees Regulation, July 2003</i> <i>Nuclear Safety and Control Act</i> <i>Canadian Environmental Assessment Act</i>
Reason for Fee Introduction or Amendment	No planned introduction of new fees or amendments to the fees regulations
Effective Date	The <i>CNSC Cost Recovery Fees Regulations</i> came into effect on July 1, 2003.
Planned Consultation and Review Process	<p>The CNSC has established the Cost Recovery Advisory Group (CRAG), consisting of representatives from different industry sectors, as a forum for ongoing communication and consultation with stakeholders or licensees regarding CNSC's regulatory activities and resulting fees. There is at least one (1) CRAG meeting held annually.</p> <p>The CNSC has dispute resolution processes in place to address key issues arising out of the external charging activity. The process and contact information is published on the CNSC Web site.</p> <p>The CNSC has a web page on its Web site dedicated to the cost recovery program which is updated with relevant information on an ongoing basis. (http://www.nuclearsafety.gc.ca/eng/regulatory_information/licence_fees/index.cfm)</p>

Table 10: Net Cost of Programs for the Estimates Year

(\$ thousands)	Total
Net Planned Spending	70,595
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada	4,475
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	2,740
Worker's compensation coverage provided by Human Resources Canada	12
Salary and associated expenditures of legal services provided by Justice Canada	223
	7,450
<i>Less: Non-responsible Revenue</i>	50,195
2004-2005 Net cost of Program	27,850

Table 11: Revolving Fund – Statement of Operations – not applicable

Table 12: Revolving Fund – Statement of Cash Flows – not applicable

Table 13: Revolving Fund – Protected Use of Authority – not applicable

Table 14: Loans, Investments and advances (non-budgetary) – not applicable

Table 15: Alternate Service Delivery – not applicable

Table 16: Regulatory Initiatives

The preparation of regulations pursuant to the *Nuclear Safety and Control Act* is a key regulatory initiative undertaken by the CNSC. Specific regulations that the CNSC expects to submit for legal examination or final approval over the three-year planning period are:

Legislation and Regulations	Planned Results
<i>Nuclear Security Regulations – Amendment</i>	Ensure that Canada’s security requirements are compatible with international standards.
Proposed Nuclear Safeguards Regulations	Establish generic safeguards regulations in lieu of existing safeguards licence conditions to facilitate compliance with international safeguards agreements.
Proposed Worker Safety Information Regulations	Ensure that the health and safety of workers is protected.
<i>Nuclear Non-proliferation Import Export Control Regulations – Amendment</i>	Ensure that the export and import provisions and licensing requirements are compatible with developments in international agreements and guidance and address issues raised by the Parliamentary Standing Joint Committee on regulations, and clarify minor ambiguities.
<i>Class II Nuclear Facilities and Prescribed Equipment Regulations</i>	The changes are designed to address a number of errors that have been noted by the Parliamentary Standing Joint Committee on Regulations and to correct a number of regulatory deficiencies that have come to light since their coming into force on May 31, 2000.
<i>Nuclear Substances and Radiation Devices Regulations</i>	The changes are designed to address a number of errors that have been noted by the Parliamentary Standing Joint Committee on Regulations, to correct a number of regulatory deficiencies that have come to light since their coming into force on May 31, 2000 and to adopt the latest IAEA Basic Safety Standards exemption values.
<i>CNSC Rules of Procedure and By-laws</i>	Up-to-date <i>Rules of Procedure</i> that reflect best practices in the area of administrative tribunals.

Table 17: Horizontal Initiatives – not applicable

VIII. Additional Information

For further information, publications, etc., contact:

Communications and Information Management Division
Canadian Nuclear Safety Commission
280 Slater Street
P.O. Box 1046, Station B
Ottawa, Ontario
K1P 5S9
1-800-668-5284 (in Canada) or 613-995-5894
Fax: 613- 995-5086
e-mail: info@cnsccsn.gc.ca

For further information you may also consult the CNSC Web site at:

www.nuclearsafety.gc.ca

Information on the plans, priorities, and activities of the CNSC may be found in:

Canadian Nuclear Safety Commission, *Annual Report*
Canadian Nuclear Safety Commission, *Report on Plans and Priorities*
Canadian Nuclear Safety Commission, *Departmental Performance Report*

The CNSC administers the following Acts and associated regulations:

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