

Protecting Canadians



Canadian Nuclear Safety Commission 2005-2006 Annual Report



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*Please note that the Canadian Nuclear Safety
Commission Annual Report of the Commission
Tribunal 2005-2006 is located on the reverse side of
this document.*



I. The Canadian Nuclear Safety Commission

Letter to the Minister of Natural Resources Canada
The Honourable Gary Lunn

The Honourable Gary Lunn
Minister of Natural Resources Canada
Ottawa, Ontario

Sir:

I have the honour of presenting you with the Annual Report of the Canadian Nuclear Safety Commission for the fiscal year ending March 31, 2006. The report has been prepared and is submitted in accordance with Section 72 of the *Nuclear Safety and Control Act*.



Linda J. Keen
President and Chief Executive Officer



Canadian Nuclear Safety Commission
Commission canadienne de sûreté nucléaire

Canada



Protecting Canadians

The CNSC's regulatory regime requires that licensees design, construct and operate their facilities safely at all times.





Protecting Canadians' Health

Increased demand and the development of new technologies in the fields of nuclear medicine and radiation therapy require constant vigilance on the part of the CNSC.





Protecting Canadians' Security

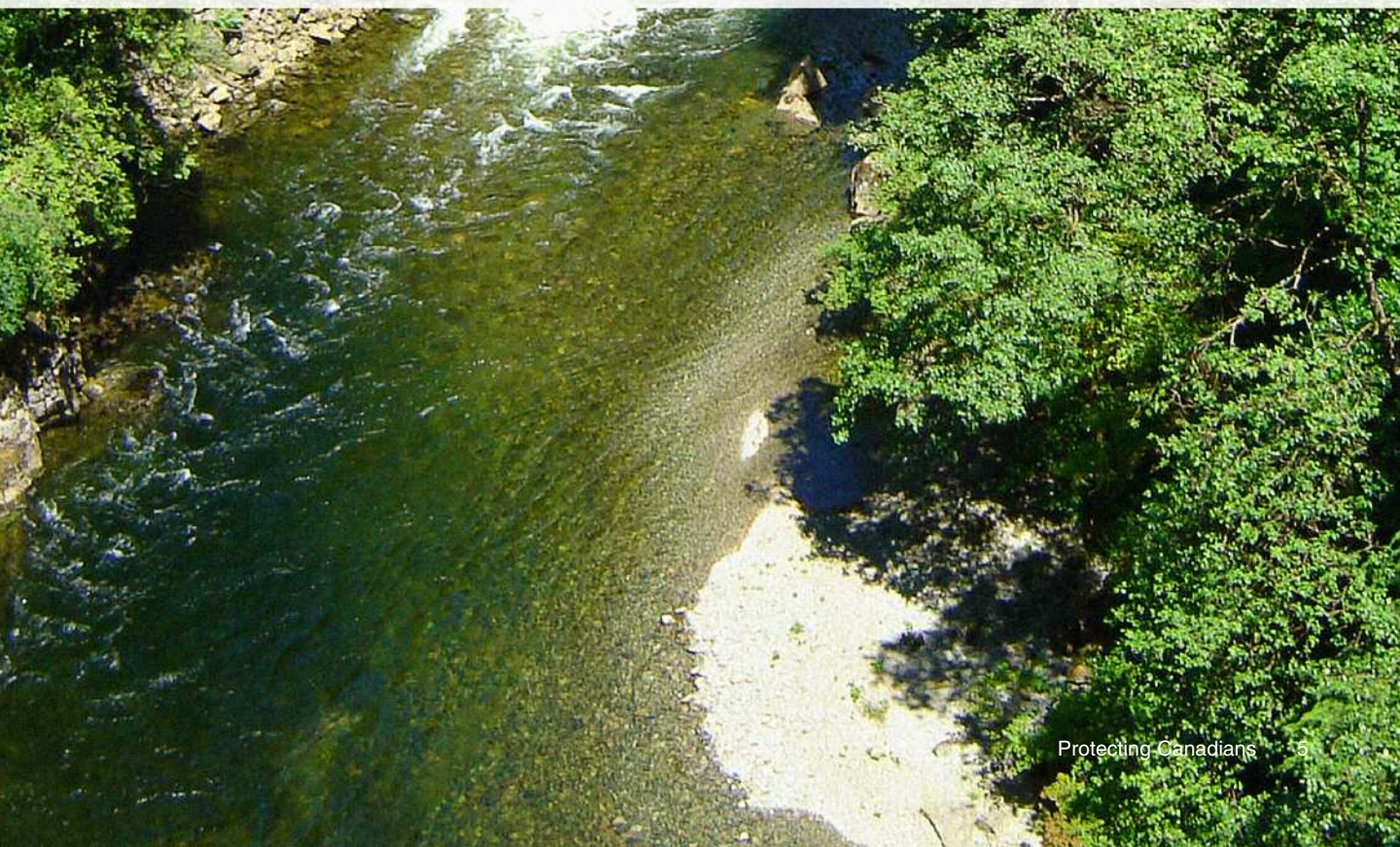
To protect Canadians, the CNSC has initiated major new security initiatives that apply to nuclear facilities and substances.





Protecting the Canadian Environment

Protecting the environment is of major importance in the work of the CNSC, through its environmental responsibilities under the *Nuclear Safety and Control Act* and other relevant legislation.



Message from the Chief Executive Officer
Linda J. Keen

I am pleased to present the 2005-2006 Annual Report of the Canadian Nuclear Safety Commission.

This Annual Report covers my fifth year as President and Chief Executive Officer (CEO) of the Canadian Nuclear Safety Commission (CNSC). I was pleased that Her Excellency, the Governor General in Council, recently appointed me to a second five-year term as President and CEO of the CNSC. This Annual Report highlights the results of the activities undertaken by the CNSC over the past year in fulfilling our mission of regulating 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. During 2005-2006, the CNSC, as the federal agency responsible for regulation of nuclear energy and materials under the Nuclear Safety and Control Act (NSCA), focused its activities on delivering its plan as outlined in the Report on Plans and Priorities. This plan outlines priorities in all five strategic areas of the CNSC: regulatory framework; licensing and certification; compliance; cooperative undertakings; and stakeholder relations. In addition, we are committed to the improvement of our governance and accountability.

Canadians look to the CNSC to be effective in its oversight of the Canadian nuclear industry. This industry's scope is arguably, the broadest, most wide-ranging and most international in the world. This Annual Report speaks to the effectiveness of our role, anchored by what is considered the clearest and most modern nuclear legislation in the world, separating the oversight of health and safety from economic and political interest. The effectiveness of the CNSC is based on the excellence of our staff and our international stature, where we contribute to and adopt international standards within the Canadian context. Whether they are standards for nuclear safety, safeguards or waste management, the CNSC meets or exceeds international norms, and places the international standards experience within a Canadian context. Canadians expect, and can count on, the CNSC to meet high standards for safety and security.

A second expectation of Canadians is that the regulatory process will be accessible and transparent. Whether a mayor from a community next to a

power plant, a patient being treated with nuclear medicine in a hospital, or a driver of a transport truck carrying uranium ore, individual Canadians expect to be able to find out about the regulatory process which protects their health, safety and security and that of their community.

Finally, the CNSC is very aware of the need to be efficient in its oversight of the nuclear industry—not at the expense of effectiveness, but to ensure that this oversight is based on risk-informed processes which are clearly communicated to industry and conducted in the most expeditious and modern approach possible.

The industry that the CNSC regulates has been experiencing substantial growth in all segments, including power generation, uranium mining and milling, nuclear waste facilities and industrial and medical uses of nuclear substances. This is creating a significant increase in the CNSC's workload, since nuclear regulation is a solely federal jurisdiction, and CNSC oversight is absolutely essential before any facility can be built or operated.

I wish to highlight three issues that are of particular interest in the current environment. First, the possibility of new nuclear power plants in Canada. Although the CNSC has not yet received an application by any proponent to build a new nuclear power plant, the CNSC has already developed an updated licensing process to be followed for the licensing of any new nuclear power plant. The CNSC is prepared to receive significant new licensing applications in several areas of its mandate, including power reactors, medical clinics and waste management.

Second, the CNSC has been active in some important international arenas during the last year. It was an honour for me to preside over the Review Meeting of the International Atomic Energy Agency's (IAEA) Convention on Nuclear Safety as the first Canadian President. This meeting allowed signatory countries to the Convention on Nuclear Safety to demonstrate their commitment to the safe operation and effective regulation of nuclear power plants. The Canadian report presented by the CNSC at the Review Meeting clearly demonstrated the high level of safety standards met by Canadian industry and enforced by the CNSC since the previous Review Meeting. In addition, the IAEA announced in September 2005 that it had drawn its broader safeguards conclusion for

Canada, and thereby declaring—for the first time—the IAEA’s confidence in the peaceful nature of Canada’s nuclear activities. This opens the door to a new, made-in-Canada approach to safeguards activities in the future. The CNSC has also further augmented its vigorous security oversight program with a new comprehensive approach for tracking radioactive sources, in line with Canada’s commitment to the Code of Conduct on the Safety and Security of Radioactive Sources.

Finally, the CNSC acknowledges the increased scrutiny of all federal agencies by the Government of Canada, and has augmented its already vigorous accountability and governance regime with a new

Quality Management Program based on international criteria.

The CNSC invites all Canadians, parliamentarians and interested parties to consult our Web site at www.nuclearsafety.gc.ca for more information on our regulatory activities.

Sincerely,



Linda J. Keen, M.Sc.

Executive Management Team

The Chief Executive Officer of the CNSC staff organization leads an Executive Committee responsible for the management of the agency.



Linda J. Keen
*President and
Chief Executive Officer*



Ken Pereira
*Executive Vice President
Operations*



Claude Caron
*Vice President and
Chief Financial Officer*



Marc Leblanc
Commission Secretary



Ken Wagstaff
*Executive Director
Office of International
Affairs*
(Mr. Wagstaff retired from the
CNSC in December 2005)



James Clarke
*Executive Director
Office of
Communications and
Regulatory Affairs*



Jacques Lavoie
*Director
Legal Services and
General Counsel*