

## Results of Consultations

Consultations with stakeholders regarding fee changes were held during July and August 2005.

### Consultation Methodology

Consultations included direct communication with potentially affected parties, provision of information on the ERD web site, and presentations to industry associations.

More than 1300 letters were sent to licence holders and associations indicating that fee changes were being considered. The letters referred stakeholders to the ERD web site for relevant information, including the rationale, a full description of the proposed changes, and the proposed performance standards. Letters and the web site provided an invitation to comment on the proposed fees and performance standards, and to suggest improvements in ERD processes. When requested, ERD staff made presentations or provided clarifications to stakeholders. Stakeholders were encouraged to offer comments through various means such as a fee review e-mail address, a mailing address, a fax number, and a telephone number.

Presentations were made to the associations representing the Canadian explosives manufacturers and the Canadian pyrotechnics industry, two of the largest groups regulated by ERD under the *Explosives Act*.

### Consultation Results

Feedback was received from 12 stakeholders.

A number of responses sought clarifications either on the fees themselves or on how they would be implemented, rather than commenting on the proposed fee changes, per se.

Few comments were received during presentations to the largest stakeholder groups. These groups considered that there were minimal modifications to the current fees, or they understood and agreed with the rationale for the fee increases.

The comments from the largest Canadian high explosives manufacturers (4 responses) were supportive even though this group is the one that pays the highest fees overall. The high explosives users (4 responses out of more than 1200 licensees) had a mixed reaction where some considered that some fee increases were higher than the current inflation rate. The fee recovery for this group is one of the lowest considering the ERD efforts, and the fee increase was kept to a minimum since this group consists mostly of small businesses. A suggestion to include an annual maximum fee for the requests for authorization of explosives was considered and accepted.

One response was received from an industry association representing the fireworks and pyrotechnics community. No individual importer or distributor in this group has provided feedback. For this group, the fees for importers and distributors are significantly increased while the cost recovery for users is reduced. The response received suggested minimizing the fee increase related to importation and authorization, but indicated

agreement with the principles. The fee increases for the importers and distributors are justified on the basis that such fees are currently relatively minimal when compared to the fees for the manufacture of such explosives in Canada. The increased fees applied to the imports are to “level the field” and allow more frequent testing/inspection of imported articles.

No responses were received from the users of fireworks and pyrotechnic articles, from foreign manufacturers, or from Canadian Manufacturing Certificate holders.

No feedback was provided on the proposed performance standards. No suggestions were made to improve ERD efficiency or work processes.

#### Consultations Conclusion

Minimal feedback was obtained, as the new fees are only marginally different from the previous ones. In addition, it is acknowledged by the stakeholders that ERD provides a good service and that the proposed modifications will help maintain this service level.