

# **Atomic Energy Control Board**

## **1999-2000 Estimates**

### **A Report on Plans and Priorities**

Approved

---

Ralph Goodale  
Minister of Natural Resources

# Table of Contents

<b>Section I. Messages</b> .....	1
A. <i>Message from the President</i> .....	1
B. <i>Management Representation Statement</i> .....	2
<b>Section II. Departmental Overview</b> .....	3
A. <i>Mandate, Roles and Responsibilities</i> .....	3
B. <i>Objective</i> .....	5
C. <i>Operating Environment</i> .....	5
D. <i>Financial Spending Plan</i> .....	8
<b>Section III. Plans, Priorities and Strategies</b> .....	9
A. <i>Summary of Key Plans, Priorities, Strategies and         Expected Results</i> .....	9
B. <i>Program/Business Line Plan</i> .....	12
C. <i>Consolidated Reporting</i> .....	20
<b>Section IV. Supplementary Information</b> .....	23

## Section I: Messages

### A. Message from the President

The Atomic Energy Control Board (AECB) is pleased to present to Parliament its Report on Plans and Priorities for the 1999-2000 planning period. The Report provides an opportunity to inform Canadians of the key plans and strategies that the AECB will use to achieve its mandate to ensure that the use of nuclear energy does not pose unreasonable risks to health, safety, security and the environment and to establish a basis for fulfilling Canada's obligations with respect to the non-proliferation of nuclear weapons..

With the proclamation of the new *Nuclear Safety and Control Act* expected during the planning period, 1999-2000 will be a unique year for the AECB and its successor organization, the Canadian Nuclear Safety Commission. The new *Act*, which replaces outdated legislation originally passed in 1946, strengthens Canada's commitment to nuclear safety and underscores the importance of federal regulation in this area. Our most urgent priority therefore is to ensure the effective implementation of the new *Act* and its associated regulations. At the same time, we will continue implementing a series of management and accountability initiatives designed to provide the necessary support for the new regulatory framework and will pursue cooperative arrangements with federal and provincial departments and agencies in order to minimize regulatory burden to the degree possible. Accomplishing these objectives while continuing to effectively discharge our ongoing regulatory responsibilities will be the major challenge for the AECB in 1999-2000.

I am confident that the plans and priorities described in this report will facilitate the Atomic Energy Control Board's transition to the Canadian Nuclear Safety Commission and to the conditions and obligations outlined in the *Act*.

Agnes J. Bishop, M.D.

## B. Management Representation Statement

### *MANAGEMENT REPRESENTATION*

#### *Report on Plans and Priorities 1999-2000*

I submit, for tabling in Parliament, the 1999-2000 Report on Plans and Priorities (RPP) for the Atomic Energy Control Board (AECB).

To the best of my knowledge, the information:

- C Accurately portrays the department's mandate, plans, priorities, strategies and expected key results of the organization.
- C Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- C Is comprehensive and accurate.
- C Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

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

Name:

Date:

## Section II: Departmental Overview

### A. Mandate, Roles and Responsibilities

Established in 1946 by the *Atomic Energy Control Act*, the Atomic Energy Control Board is a departmental corporation, named in Schedule II of the *Financial Administration Act*. The AECB reports to Parliament through a designated Minister, the Minister of Natural Resources Canada.

The mission of the AECB is to ensure that the use of nuclear energy in Canada does not pose undue risk to health, safety, security and the environment. The AECB achieves its mission through a comprehensive licensing system that covers all aspects of nuclear facilities, prescribed substances and equipment, including packages used in domestic and international transport. Concerns and responsibilities of other federal government departments and provincial governments in such areas as health, the environment, transport and labour are considered in the administration of this licensing system.

The AECB mission extends, as well, to the control of the import and export of prescribed substances, equipment and technology and contributing to the fulfilment of Canada's domestic and international obligations pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons.

Finally, the AECB contributes to international agencies and, through co-operation agreements, assists other countries in improving regulatory control of nuclear materials and facilities.

#### *Departmental Organization*

The AECB program has one business line -- administration of the *Atomic Energy Control Act* and participation in measures for international control of atomic energy. The Board itself consists of five members, the President being the only full-time member. The President also is the Chief Executive Officer of the AECB and, as such, supervises and directs the work of the organization. Through the President, the Board receives advice from two independent committees composed of external technical experts: the Advisory Committee on Radiological Protection and the Advisory Committee on Nuclear Safety. Advice also is provided by the Department of Justice through a Legal Services Unit at the AECB, by a Medical Liaison Officer, and by the AECB Group of Medical Advisers, composed of senior medical professionals nominated by the provinces, Atomic Energy of Canada Limited, the Department of National Defence and Health Canada.

AECB staff implement the policies of the Board and make recommendations on regulatory matters. Staff, numbering 442 full-time equivalents (FTE), are organized in five directorates.

- C The **Directorate of Reactor Regulation** is responsible for: the regulation of nuclear power reactors, including the development of safety standards and licence conditions; the assessment of licence applications and reactor operations; making licensing recommendations to the Board; and compliance activities.
- C The **Directorate of Fuel Cycle and Materials Regulation** is responsible for the regulation of: uranium mining, including the processing of uranium into fuel; research facilities and particle accelerators; radioisotope production and use; radioactive waste management; and the transport of radioactive materials. This includes the development of safety standards and licence conditions, the assessment of licence applications and licensee operations, making licensing recommendations to the Board, and compliance activities. The Directorate also is responsible for technical aspects associated with the decommissioning of nuclear facilities.
- C The **Directorate of Environmental and Human Performance Assessment** is responsible for the assessment of licensees' programs and performance in the areas of radiation and environmental protection, emergency preparedness planning, quality assurance, training and human factors. Other responsibilities include: technical training for AECB staff and for foreigners (under co-operation agreements); AECB obligations under the *Canadian Environmental Assessment Act*; assessment of unplanned events and performance at licensed facilities; incident investigation; research programs; and the development of standards.
- C The **Secretariat** is responsible for: administrative support to Board members and advisory groups; external relations, corporate documents and public communications; coordination of corporate planning and of implementation of the *Nuclear Safety and Control Act*; non-proliferation, safeguards and security activities; liaison with Department of Justice legal counsel; and administrative responsibilities of the AECB under the *Nuclear Liability Act*, the *Access to Information Act*, and the *Privacy Act*.
- C The **Directorate of Corporate Services** promotes efficient and effective delivery of centralized corporate services to the other Directorates of the AECB. It is responsible for financial management, materiel and facilities management, technological services and human resources planning and services.

## **B. Objective**

The objective of the AECB program, as stated in the Government of Canada's *Main Estimates* (Part II), is to ensure that nuclear energy in Canada is only used with due regard to health, safety, security and the environment, and to support Canada's participation in international measures to prevent the proliferation of nuclear weapons.

## **C. Operating Environment**

The Atomic Energy Control Board is an independent agency of the Government of Canada, reporting to Parliament through the Minister of Natural Resources Canada. As an agency in the Natural Resources Canada portfolio, the AECB works closely with this department, as well as with other federal departments and provincial agencies, to achieve its mandate with a minimum of regulatory burden and duplication. Increasingly, the AECB attempts to work with licensees and other stakeholders as well, in order to build solid working relationships that will improve safety and enhance compliance, while facilitating the regulatory process. These relationships -- with the public, other government bodies that play a regulatory role, and licensees -- are an important aspect of the environment in which the agency operates.

A number of key issues and external factors have been identified that also will have a considerable impact on AECB plans and priorities in the short- to medium-term. These include:

### *C Public concern about nuclear safety and security*

With persisting public and media scrutiny of the operations and maintenance of domestic nuclear power reactors, international debate over the role of nuclear energy in meeting electricity requirements in an environmentally responsible manner, and the development of clandestine nuclear programs in some foreign countries, public concern and awareness of nuclear issues continues. Understandably, the role and effectiveness of regulatory bodies often is questioned in this context. The challenge to the AECB is to maintain an effective regulatory regime in these changing circumstances and to reassure Canadians that their interests are being protected. In order to meet public expectations for transparency and openness in government, the AECB must involve citizens in meaningful ways in the regulatory process and more effectively communicate information about its role and the decisions it makes.

### *C Structural changes in the electrical power production industry*

Deregulation of electricity markets, moves toward privatization and management difficulties at certain electricity producers are having a profound impact on the electricity production industry and are expected, as a result, to have an effect on the AECB. In Ontario, for example, implementation of Ontario Hydro's detailed nuclear recovery plan and the passage of the *Energy Competition Act, 1998* (which provides for a competitive electricity market in Ontario) will require additional effort and rigorous assessment by the AECB in order to verify that the safety of facility operations is not being compromised.

C *Reduced funding for research and development*

Reductions in private and public sector funding for research and development and, more specifically, in the areas of reactor technology and safety, will put continuing pressure on the AECB to stay abreast of technological development. The challenge will be to find the means to successfully encourage or undertake the necessary research and development work to support the technical foundation for effective regulation of nuclear power reactors.

C *Protection of the environment*

Environmental concerns are increasingly important to Canadians. The new *Nuclear Safety and Control Act* imposes clear responsibilities and obligations on the Canadian Nuclear Safety Commission (CNSC), which will succeed the current Atomic Energy Control Board. Armed with the formal authority and responsibilities specified in the *Nuclear Safety and Control Act*, the CNSC will be expected to integrate environmental protection concerns fully in regulatory decision-making and to demonstrate credibility and responsibility in broader environmental issues. As stated earlier, the CNSC will also work with other federal and provincial agencies to put in place an integrated and efficient regulatory regime in this area.

C *Canada's international obligations in the area of nuclear safeguards*

Canada has indicated its intent to sign and implement the "Additional Protocol to Safeguards Agreements," an international agreement providing the International Atomic Energy Agency (IAEA) with a strengthened mandate to search for undeclared nuclear material and activities. Implementing the conditions of this agreement will have a direct impact on the AECB, requiring negotiations and consultations with the IAEA and the nuclear industry to ensure that the obligations of the Canadian Government in this area are met.



C *Management and disposal of radioactive waste*

In accordance with Natural Resources Canada's Radioactive Waste Policy Framework of 1996, the burden of obligation with respect to the use of nuclear energy must rest with the licensee -- the public should not bear the risk or the costs of the use of nuclear energy now or in the future (the "polluter pays" principle). Ensuring that appropriate waste management and decommissioning plans (which include comprehensive financial analyses and guarantees) are in place will be a significant challenge to the AECB, especially in the context of deregulation and privatization initiatives in the nuclear industry. The management of used nuclear fuel in particular is expected to remain a sensitive issue of ongoing concern to the public.

C *Radium licensing*

Radium was used extensively well before the creation of the AECB and the establishment of regulatory control in Canada. As a result, significant quantities of radium have been accumulated by various entities and continue to be used or kept outside effective regulatory control. The lack of control increases the risks posed to public health and safety and a comprehensive regulatory effort therefore is required.

C *Concern over regulatory overlap and duplication*

While nuclear matters clearly are the jurisdiction of the federal government, the AECB recognizes that other federal and provincial bodies have responsibilities and expertise that are associated with or complement the federal nuclear regulatory program. This on occasion has led to perceptions of regulatory overlap and duplication, particularly in the area of uranium mining. This sensitive issue will continue to require active consultation and cooperation in order to streamline the regulatory regime and to minimize, to the degree possible, regulatory burden.

## D. Financial Spending Plan

(\$ millions)	Forecast Spending 1998-1999*	<b>Planned Spending 1999-2000</b>	Planned Spending 2000-2001	Planned Spending 2001-2002
<b>Gross Program Spending: AECB</b>	49.3	<b>51.5</b>	48.9	48.3
Less: Revenue Credited to the Vote	---	---	---	---
<b>Net Program Spending</b>	49.3	<b>51.5</b>	48.9	48.3
<i>Less:</i> Revenue Credited to the Consolidated Revenue Fund	36.7	<b>37.6</b>	38.5	37.7
<i>Plus:</i> Cost of Services Provided by other Departments	5.1	<b>5.0</b>	5.0	5.0
<b>Net Cost of the AECB</b>	17.7	<b>18.9</b>	15.4	15.6

\*Reflects best forecast of total planned spending to the end of the fiscal year.

## Section III: Plans, Priorities, Strategies and Expected Results

### A. Summary of Priorities and Expected Results

The AECB program currently has one business line -- administration of the *Atomic Energy Control Act* and participation in measures for international control of atomic energy. Key enduring results at which organizational effort is directed over the medium- to long-term are summarized in the following Chart of Key Results Commitments:

#### The Atomic Energy Control Board (AECB) has a mandate

to provide Canadians with:	to be demonstrated by:
assurance that the use of nuclear energy in Canada does not pose unreasonable risk to health, safety, security and the environment	<ul style="list-style-type: none"> <li># an effective regulatory framework</li> <li># high levels of compliance in regulated activities</li> <li># low frequency of safety-significant events</li> <li># low levels of radiation exposure to humans and the environment</li> <li># public confidence in the AECB</li> </ul>
assurance that Canadian nuclear material, equipment and technology are not contributing to the spread of nuclear weapons	<ul style="list-style-type: none"> <li># control of import and export operations</li> <li># support of international efforts to develop, maintain and strengthen the nuclear non-proliferation regime</li> </ul>

The AECB will be reviewing and refining these commitments during the upcoming reporting period, integrating them directly in its strategic plan and refining a system of reliable and relevant performance measurement that will provide useful information for management and the public about the organization's effectiveness in achieving these program outcomes. This is a management priority for 1999-2000.

The following table briefly summarizes AECB Priorities and Expected Results.

Key enduring result	Specific result	Plan/Strategy
<p>High levels of compliance in regulated activities  Low frequency of safety-significant events  Low levels of radiation exposure  Control of import and export operations</p>	<p>Effective administration of the nuclear regulatory regime in Canada</p>	<p>C Continue to administer the <i>Atomic Energy Control Act</i> and its regulations.</p>
<p>Support of international efforts to develop, maintain and strengthen the nuclear non-proliferation regime</p>	<p>A Strengthened Safeguards System</p>	<p>C Implement safeguards, security and non-proliferation measures to ensure fulfilment of Canada's international obligations.  C Implement the Additional Protocol to Canada's Safeguards Agreements.  C Develop safeguards regulations.  C Participate in activities related to the development of the IAEA Integrated Safeguards System.</p>
<p>An effective regulatory framework</p>	<p>Implementation of the <i>Nuclear Safety and Control Act</i></p>	<p>C Continue active consultation with industry stakeholders and the public in the preparation of regulations to accompany the <i>Act</i>.  C Ensure efficient, consistent and competent interpretation and application of the <i>Act</i> and regulations by providing expert training for all Commission staff.  C Complete and publish required guidance documents to accompany regulations.  C Finalize new licence formats and content requirements.  C Secure appropriate approvals for regulations, to culminate in the proclamation of the <i>Act</i>.</p>
<p>An effective regulatory framework</p>	<p>Improved Organizational Effectiveness and Efficiency</p>	<p>C Identify, prioritize and produce corporate core documents, policies and directions providing the vision and broad strategies to fulfill the Canadian Nuclear Safety Commission mandate.</p>

Key enduring result	Specific result	Plan/Strategy
An effective regulatory framework	Improved Organizational Effectiveness and Efficiency	<p>C Based on the results of preliminary work completed in 1998-1999, implement system of results-based management and performance measures in key regulatory areas.</p> <p>C Establish an “Improving Management and Leadership Group” to champion management/leadership initiatives.</p> <p>C Complete the reform of the AECB human resources framework.</p> <p>C Complete the review and implementation of recommendations from previous studies relating to improving regulatory and management practices.</p> <p>C Pursue ongoing consultations with other federal and provincial government departments and agencies to minimize regulatory burden wherever practicable.</p>
Public confidence in the AECB	Improved Communication and Openness	<p>C Formalize an AECB external communications policy</p> <p>C Reexamine existing practices in the area of information dissemination and establish a formal program for the dissemination of comprehensive scientific, technical and regulatory information materials consistent with the new <i>Act</i> and regulations.</p> <p>C Improve communications competencies among staff through specific training</p> <p>C Improve corporate capacity to monitor external events and issues that affect nuclear regulation.</p> <p>C Improve relations with other federal and provincial regulatory bodies.</p> <p>C Foster improved communication between staff and management at all levels, and with external stakeholders.</p>

Key enduring result	Specific result	Plan/Strategy
High levels of compliance in regulated activities	A Corporate Compliance Strategy	C Complete Canadian Nuclear Safety Commission corporate compliance policy. C Develop and implement a Corporate compliance program. C Develop and implement Business Area compliance programs.

## B. Program/Business Line Plan

As noted in Section A, the Atomic Energy Control Board has a single business line, the “administration of the *Atomic Energy Control Act* and participation in measures for international control of atomic energy.” Administration of the Act essentially involves regulatory activities that have as their goal the health, safety and security of Canadians and protection of the environment. The AECB also supports Canadian Government policy and administers international agreements relating to nuclear non-proliferation and safeguards.

These long-term goals and expected results provide the context for the specific plans and strategies that have been developed over shorter planning horizons. For 1999-2000, the expected proclamation of the new *Nuclear Safety and Control Act* will provide the focus for AECB plans and activities, apart from the regulatory activities and international obligations that are ongoing and must be undertaken to achieve expected results in the areas of the frequency of safety-significant events, the levels of radiation exposure, and the import and export of nuclear materials. The new *Act*, which replaces legislation dating from the 1940s, strengthens Canada’s commitment to nuclear safety and environmental protection and underscores the importance of the federal regulatory role in this sensitive area. Ensuring the effective implementation of the new *Act* and its regulations is the most urgent challenge facing the AECB and therefore is the organization’s top priority in the planning period. Key strategic plans in the area of management, leadership and efficiency within the organization are intended to further enhance regulatory effectiveness in the context of the new regulatory regime provided for in the *Act*.

AECB management therefore has articulated a strategic plan identifying five principal objectives or directions:

- C implement the *Nuclear Safety and Control Act*;
- C improve our management and leadership culture;
- C reform our human resources framework;

- C communicate more effectively; and
- C finalize *Project 96 and Beyond*.

Several specific plans in support of these broad objectives have been formulated. These are presented below (grouped by key enduring result and specific short-term result). Planned spending by the AECB on the activities related to its single business line in 1999-2000 will be \$51.5 million.

<b>Key enduring results:</b>	<p><b><i>High levels of compliance in regulated activities</i></b>  <b><i>Low levels of safety-significant events</i></b>  <b><i>Low levels of radiation exposure to humans and the environment</i></b>  <b><i>Control of import and export operations</i></b></p>
<b>Specific short-term result:</b>	<p><b><i>Effective administration of the nuclear regulatory regime in Canada</i></b></p>

*Context:*

The Atomic Energy Control Act and its regulations impose requirements on all persons who produce, import, export, transport, refine, possess, own, use or sell nuclear materials, as well as on others who are identified in the regulations. Regulatory control is achieved through a comprehensive set of regulations, standards and licence conditions, supported by compliance activities. This regulatory regime is the means whereby the AECB achieves its program objective to ensure that nuclear energy in Canada is only used with due regard to health, safety, security and the environment and to support Canada's participation in international measures to prevent the proliferation of nuclear weapons.

Ongoing regulatory activities and responsibilities will continue to account for over 90% of the effort expended by the AECB in 1999-2000.

*Key Activities:*

- C AECB staff will continue to administer the *Atomic Energy Control Act* and its regulations to ensure that health, safety, security and environmental protection requirements have been recognized and met by licensees.

<b>Key enduring result:</b>	<b><i>Support of international efforts to develop, maintain and strengthen the nuclear non-proliferation regime</i></b>
<b>Specific short-term result:</b>	<b><i>A strengthened Safeguards System</i></b>

*Context:*

The new *Nuclear Safety and Control Act* and its accompanying regulations will establish a strong basis for the implementation of safeguards, security and non-proliferation policy and for fulfilling Canada's obligations in these areas. As reported in previous Performance Reports, the AECB provides continued reassurance that Canadian nuclear material, equipment and technology are not contributing to the spread of nuclear weapons.

*Key Activities:*

- C In the aftermath of the mid-1998 nuclear weapons explosions by India and Pakistan, the AECB is responding to increased pressure to enhance Canada's non-proliferation regime. The AECB will continue to provide technical support for initiatives associated with the Fissile Material Treaty, the Comprehensive Test Ban Treaty Organization, the Nuclear Suppliers' Group and the Zangger Committee. In addition, the AECB will continue to provide the International Atomic Energy Agency (IAEA) with assistance and expertise to improve safeguards implementation and move toward a strengthened safeguards system through the Canadian Safeguards Support Program and the Standing Advisory Group on Safeguards Implementation. Finally, in the security area, the AECB will participate in the re-opening and expansion of the Convention on the Physical Protection of Nuclear Materials to address global concerns arising from increased illicit trafficking.
- C Canada has committed to implementing the Additional Protocol in tandem with the promulgation of the *Nuclear Safety and Control Act*, expected in 1999. Through the Protocol Outreach Program, the AECB is consulting with stakeholders to ensure a good understanding of the requirements of the Protocol. These consultations will set the stage for good working relationships with the nuclear industry and will pave the way for effective and efficient implementation of Protocol activities.
- C The AECB's regulatory framework must be adjusted to accommodate implementation of the Protocol. The AECB therefore is reviewing regulatory requirements required by the Protocol and will develop regulations that will permit effective safeguards implementation.
- C One of the key components of the strengthened safeguards system is the development of integrated safeguards, an optimal combination of traditional and Protocol measures. The AECB will participate in IAEA's efforts to formulate an



Integrated Safeguards system to ensure the optimization maximizes benefits for Canadians.

<b><i>Key enduring result:</i></b>	<b><i>An effective regulatory framework</i></b>
<b><i>Specific short-term result:</i></b>	<b><i>Implementation of the Nuclear Safety and Control Act</i></b>

*Context:*

The new *Nuclear Safety and Control Act*, along with the regulations that provide the concrete means whereby the Act is implemented, will provide the cornerstone of an effective nuclear regulatory framework in Canada. As such, modernized legislation has been a strategic priority of the AECB for several years. In the approximately two years since the legislation was passed, the AECB has devoted significant effort to the preparation of regulations and to consulting with industry representatives, the public and technical experts. These activities have been reported in previous AECB Performance Reports. Managing the details of the transition from the *Atomic Energy Control Act*, as well, will present particular challenges and will involve all staff of the newly-created Canadian Nuclear Safety Commission.

*Key Activities:*

- C As the regulations accompanying the *Act* are finalized, consultation with industry stakeholders will intensify in order to facilitate a smooth transition to the new regulatory framework. These consultations will set the stage, as well, for improved working relationships with licensees in the areas of compliance and in encouraging a safety culture.
- C In order to enable staff to interpret and apply the new *Act* consistently and effectively, a comprehensive training program, led by the AECB's technical training group and legal services unit, has been developed. Staff members will be obliged to successfully complete this training before proclamation of the new legislation. Similar training will be given, as well, for members of the Commission.
- C The Canadian Nuclear Safety Commission, like its predecessor organization, will rely on a variety of guidance documents to further explain regulatory requirements and provide direction to licensees. A complete review of existing regulatory guidance documents will be conducted to ensure consistency with the new regulatory framework. Requirements for new guidance documents also will be identified and the appropriate texts drafted. Improving the management of corporate documents required to fulfill the organization's mandate will remain a

longer-term strategy of the AECB/CNSC, given the importance of this activity for overall regulatory effectiveness.

- C The new regulatory framework will require the review of and, in some cases, modification to the format and conditions of licences. In addition, careful management of the transition from licences issued under the *Atomic Energy Control Act* regulations to those approved under the new regulations will be required.
- C The regulations approval process will be managed in such a way as to enable proclamation of the legislation at the earliest possible date.

<b><i>Key enduring result:</i></b>	<b><i>An effective regulatory framework</i></b>
<b><i>Specific short-term result:</i></b>	<b><i>Improved Organizational Effectiveness and Efficiency</i></b>

*Context:*

In addition to the challenge of implementing legislative changes to the nuclear regulatory framework, the AECB is confronted with a changing economic and social landscape that is having a profound impact on its work. The public in general has become increasingly demanding of government agencies and services, even in an era of diminished resources. In the nuclear area, public interest in and concerns over safety and security have led to greater scrutiny of regulatory decision-making and day to day operations. Such concern has intensified with the dramatic changes that are occurring, for example, in the electricity production industry and as a result of the explosion of nuclear devices by India and Pakistan. For the AECB, issues of competence, credibility and effectiveness more than ever are of crucial importance.

In this context, efficiency, managerial competence and leadership culture are as important as our legislative foundation in enhancing regulatory effectiveness. As a result of studies such as the staff-led *Project 96 and Beyond*, several initiatives therefore have been identified to support the strategic direction of improving the AECB's management and leadership culture.

*Key Activities:*

- C In order to clarify accountabilities and ensure that the activities of the Canadian Nuclear Safety Commission are clearly focused (thereby guaranteeing that effort and resources are used in an optimal manner), clear statements of corporate vision, direction, strategic priorities and supporting policies are required. In the context of the promulgation of the *Nuclear Safety and Control Act* and of the mandate of

- the Canadian Nuclear Safety Commission, these CNSC “corporate core documents” will be produced in 1999-2000.
- C Several results-based management projects were undertaken on a pilot basis in 1998-1999, with a view to developing a broader approach that will respond to management and external needs for information about organizational performance and effectiveness. On the basis of this preliminary work, a series of performance measures, designed to assist in evaluating how the agency contributes to minimizing the risks posed by nuclear technology, will be implemented in 1999-2000.
  - C An “Improving Management and Leadership Group,” consisting of management and staff representatives, will be established to steer management/leadership initiatives.
  - C The AECB relies on a highly-skilled professional, technical and support staff to effectively discharge its mandate. In recognition of this key resource and in order to deal with the pressures caused by increased demand and a rapidly-changing work environment, the AECB will pursue the reform of its human resources framework. Key components of this ongoing reform include a rotation program for staff, a succession planning initiative, review of the employee performance appraisal process, completion of the changes made to the job classification and compensation system and the implementation of a management and administrative training program. These initiatives will benefit both the organization and its employees by creating working conditions and opportunities that are satisfying and stimulating and that focus on results.
  - C The review and implementation of recommendations from previous studies that relate to improving regulatory and management practices, notably the staff-led *Project 96 and Beyond*, will be completed.
  - C The AECB will continue its long-standing practice of consultation and cooperation with other associated regulatory bodies (federal and provincial) in order to reduce regulatory burden wherever practicable. Mechanisms that will achieve economies and regulatory efficiencies, such as joint review processes and memoranda of understanding, will be negotiated with the appropriate federal and provincial government departments and agencies.

<b><i>Key enduring result:</i></b>	<b><i>Public confidence in the AECB</i></b>
<b><i>Specific short-term result:</i></b>	<b><i>Improved Communication and Openness</i></b>

*Context:*

Transparency in decision-making and openness in communication and consultation with the public remains a fundamental objective of the AECB. Over the past several years, there has been significant effort, documented in previous performance reports, to make the nuclear regulatory process more accessible to Canadians and to make the public more aware of the role and activities of the AECB. While many of these activities, such as traditional and electronic dissemination of information and the publication of the results of the Board's deliberations, are ongoing, several additional activities are planned for 1999-2000. These, again, largely relate to the transition to a new legislative and regulatory framework and acknowledge the greater emphasis in the *Nuclear Safety and Control Act* on the duty of the CNSC to disseminate information

*Key Activities:*

- C A greater understanding of the activities of the AECB and of how the agency contributes to Canadians' health, safety and security is necessary if the public is to have greater confidence in the AECB (and its successor organization) and in its ability to fulfill its mandate. To coordinate corporate efforts to communicate information in a form that is accessible and readily understood by the public, the AECB will articulate an enhanced external communications policy. In keeping with broader government policy, AECB communications activities will be geared toward ensuring that the organization is visible, accessible and answerable to the public.
- C Closely related to more general public information needs is the requirement to disseminate comprehensive scientific, technical and regulatory information concerning the effects of the use of nuclear energy and materials on health, safety, security and the environment. Existing methods of communicating such information will be reexamined in 1999-2000 and a formal program undertaken to develop and distribute such materials.
- C Formal training will be provided to appropriate staff members, with the objective of improving the manner in which communications with external stakeholders, the public and the media are handled.
- C Recognizing that relevant and timely information is crucial to effective corporate decision-making, the AECB will improve its capacity to monitor external events and issues that may affect agency operations and nuclear regulation generally.
- C Maintaining productive relationships with other government agencies and regulatory partners is an ongoing activity and goal of the AECB. Communication

and consultation will be particularly important in the context of new act implementation and in the AECB's continuing efforts to reduce regulatory overlap and duplication.

- C Openness and transparency not only is a goal of the organization in its dealings with the public, but also is important in the context of internal operations and the management of human resources. More effective communication within the AECB will be achieved in 1999-2000 through improved mechanisms for staff feedback, participation in problem-solving and a continued commitment to teamwork and the project management approach adopted following the *Project 96 and Beyond* initiative.

<i>Key enduring result:</i>	<i>High levels of compliance in regulated activities</i>
<i>Specific short-term result:</i>	<i>A Corporate Compliance Strategy</i>

*Context:*

Verifying compliance with the *Act*, regulations, standards and licence conditions is an essential activity in fulfilling the AECB's mandate. Internal studies, supported by the findings of external consultants, have indicated that existing AECB compliance practices are adequate. Inspections are being carried out according to established practices and procedures, with instances of non-compliance routinely identified and appropriate follow-up action taken. The AECB nevertheless has identified the need for certain improvements to its compliance program in order to conduct compliance activities in a more transparent, systematic and integrated manner and to ensure internal consistency as well as consistency with the provisions of the *Nuclear Safety and Control Act*.

*Key Activities:*

- C Elements of an integrated approach to compliance will be developed in 1999-2000 as part of an overall corporate Compliance Strategy. The Strategy and its various components will address the need for more consistent application of compliance and enforcement activities by the Canadian Nuclear Safety Commission. The Strategy will include a formal compliance policy, an overall corporate compliance program to ensure consistency and specific business or regulatory area compliance programs and procedures. Finally, the Strategy will adhere to recognized quality assurance principles. It is anticipated that full implementation will occur over two planning periods; that is, by the end of 2000.

**C. Consolidated Reporting**

*Regulatory Initiatives*

The preparation of regulations pursuant to the *Nuclear Safety and Control Act* is a key regulatory initiative under way at the AECB and is expected to be completed during 1999-2000. 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 will affect how the newly-created Canadian Nuclear Safety Commission accomplishes its mandate. In drafting the regulations, the attempt has been made to place current regulatory requirements in a form that is compatible with the new *Act*. Some changes, such as lower dose limits, reactor operator certification and the requirement for financial guarantees, nevertheless have been incorporated in the regulations to reflect more up-to-date standards and policy decisions in the nuclear regulatory area. These changes will affect stakeholders in the nuclear industry.

The AECB is confident that the new regulations will help prevent unreasonable risk that may be associated with nuclear materials and facilities and will enable Canada to meet the international obligations and control measures to which it has agreed.

<i>Legislation and Regulation</i>	<i>Expected Results</i>
<p><i>Nuclear Safety and Control Act</i></p> <p>Regulations made pursuant to the <i>Nuclear Safety and Control Act</i></p>	<p>C improved capacity to prevent unreasonable risk, to the environment and to the health and safety of Canadians, associated with the development, production, possession or use of nuclear energy, substances, prescribed equipment and prescribed information</p> <p>C modernized regulations that reflect nationally and internationally accepted standards and obligations as they relate to health, safety, security and the environment</p>

### *Y2K Initiatives*

The AECB, like other public sector bodies and private enterprises, is dependent upon information technology to deliver its program. It therefore is exposed to many of the same problems faced by other organizations with regard to the risks posed by the Year 2000 date issue. In addition, as a regulator, the AECB has a responsibility to monitor the readiness of its licensees, as systems failures could pose potential danger to the safety of licensed activities.

The AECB began addressing Year 2000 compliance for its internal systems early in 1997-1998. The approach has been to prepare an inventory of all AECB systems and applications, assess Y2K compliance, and plan and implement corrective actions. The

risks posed to the business operations of the AECB by potentially non-compliant systems and applications are low -- while the organization relies on information technology for internal efficiency, actual regulatory activities are primarily intellectual and the information used for analysis and decision-making for the most part is paper-based. Despite this "low risk" assessment, the AECB, in the interests of prudence and due diligence, is engaged in a comprehensive evaluation of systems, correction of identified problems and contingency planning.

To date, the systems inventory has been completed and the only mainframe application in use is being converted to Y2K-compliant technology. The systematic approach initiated to tackle the Year 2000 issue will be pursued in 1999-2000 and barring circumstances beyond the control of the organization all systems critical to AECB internal operations will be Year 2000 compliant and will function normally after 31 December 1999. The estimated total expenditure of the organization on Y2K preparedness is \$1 million.

In that systems failure also presents potential dangers to the safety of activities that it licenses, AECB also has developed a comprehensive strategy and is taking regulatory action on the Year 2000 issue. Assurances will be required from licensees that Y2K issues will not affect the safe operation of their facilities and equipment. For power reactors, for example, this involves assurances that safety systems will function to shutdown the reactor, provide continued cooling and containment, and maintain safety control and monitoring activities.

In order to facilitate the monitoring of Y2K issues among licensees, review criteria have been developed to evaluate the preparedness of all licensees. Y2K plans and schedules must be in place, an inventory of affected activities and functions must be prepared, the methodology for assessing systems compliance must be identified, processes for corrective action and subsequent verification and testing of systems and applications to ensure compliance and functionality must be developed within an acceptable time frame, and contingency plans must be in place in the event that systems or applications fail to function as expected.

Given the extent of the problem, Year 2000 issues as they affect the safe operations of licensed activities are being treated on a risk-significant basis, with priority being given to the resolution of situations deemed the most critical from a safety perspective. This graded approach means that attention has focused first on major nuclear facilities, including power reactors, research reactors, accelerators, uranium mines and mills, nuclear fuel fabrication facilities and radioactive waste management facilities. For other licensees, AECB will continue to communicate with licensees and with its review of the activities of those licensees whose activities involve more significant levels of risk. Included in this group are accelerators and more than 3,700 radioisotopes users. Licensees will be required to report susceptibility to Year 2000 problems and provide assurances, by June

30, 1999, that all systems are Y2K-ready. Responses will continue to be tracked and appropriate follow up action will be taken as necessary. Should licensees fail to provide the necessary assurances, existing compliance verification and enforcement measures will be taken. These include inspections, audits and investigations, as well as warnings, directives or orders, investigations and prosecutions.



## Section IV: Supplementary Information

### SUPPLEMENTARY INFORMATION

Table 1: Spending Authorities

#### Personnel Information

Table 2.1 Organization Structure

Table 2.2 Planned Full Time Equivalents (FTEs) by Program and Business Line

#### Capital Projects Information

*Note: This section (Tables 3.1, 3.2 and 3.3) is not applicable to the AECB.*

#### Additional Financial Information

Table 4 Summary of Standard Objects by Expenditure

Table 5 Program Resources by Program and Business Line for the Estimates Year

Table 6 Transfer Payments by Program and Business Line

Table 7 Revenue by Program

Table 8 Net Cost of Program for the Estimates Year

*Note: Financial Information concerning Revolving Funds, Loans, Investments and Advances by Program and Business Line and Tax Expenditures (Tables 9.1, 9.2, 9.3, 10 and 11) is not applicable to the AECB.*

#### Other Information

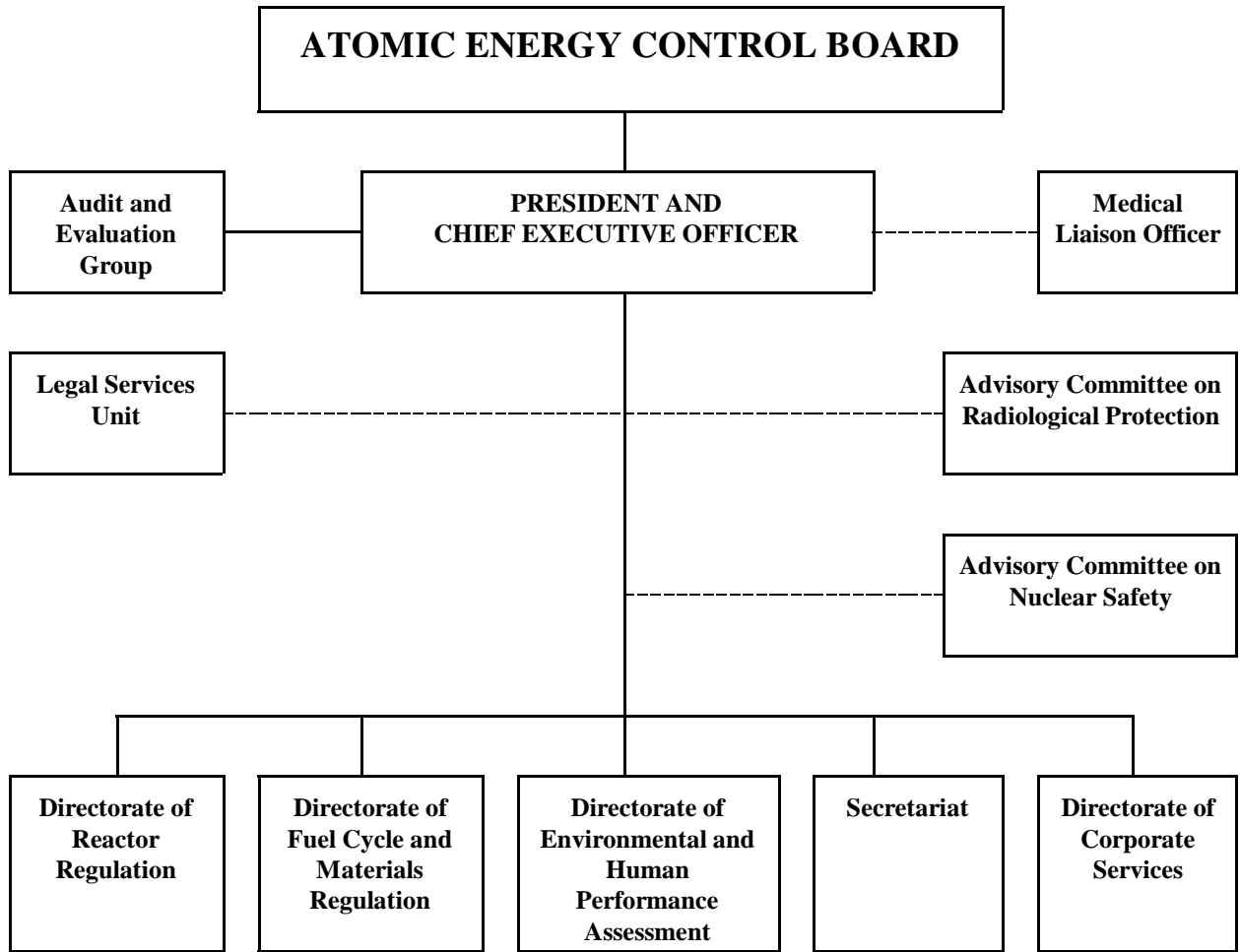
Table 12 Listing of Statutes and Regulations

Table 13 References

**Table 1: Spending Authorities - AECB Summary Part II of the Estimates**

Vote	(thousands of dollars)	<b>1999-2000 Main Estimates</b>	1998-1999 Main Estimates
15	Program expenditures	<b>43,619</b>	38,397
(S)	Contributions to employee benefit plans	<b>5,504</b>	5,128
	Total AECB	<b>49,123</b>	43,525

**Table 2.1: Organization Structure**



**Note:** ----- signifies an advisory role

**Table 2.2 Planned Full Time Equivalents (FTEs) by Program and Business Line**

	Forecast 1998-1999	Planned 1999-2000	Planned 2000-2001	Planned 2001-2002
<b>AECB Total</b>	430	<b>442</b>	442	442

**Table 4: AECB Summary of Standard Objects of Expenditure**

(\$ millions)	Forecast Spending 1998-1999	Planned Spending 1999-2000	Planned Spending 2000-2001	Planned Spending 2001-2002
<b>Personnel</b>				
Salaries and wages	27.1	<b>28.7</b>	27.3	26.9
Contributions to employee benefit plans	5.5	<b>5.6</b>	5.5	5.4
	32.6	<b>34.3</b>	32.8	32.3
<b>Goods and Services</b>				
Transportation and communications	4.1	<b>4.2</b>	4.0	3.9
Information	0.3	<b>0.3</b>	0.3	0.3
Professional and special services	8.1	<b>8.1</b>	7.7	7.5
Rentals	0.6	<b>0.6</b>	0.6	0.6
Purchased repair and maintenance	0.6	<b>0.5</b>	0.5	0.5
Utilities, materials and supplies	0.8	<b>0.9</b>	0.9	1.0
Other subsidies and payments	--	<b>0.4</b>	--	--
Minor Capital	1.5	<b>1.6</b>	1.5	1.6
	16.0	<b>16.6</b>	15.5	15.4
<b>Transfer payments</b>	0.7	<b>0.6</b>	0.6	0.6
<b>Total Program</b>	49.3	<b>51.5</b>	48.9	48.3
<b>Less: Revenues Credited to the Vote</b>	----	----	----	----
<b>Total</b>	49.3	<b>51.5</b>	48.9	48.3

**Table 5: Program Resources by Program and Business Line for the Estimates Year**

(\$ millions)	Budgetary				Non-Budgetary		Gross Planned Spending	Less: Revenue Credited to the Vote	Total Net Planned Spending
	FTE	Operating	Capital	Transfer Payments	Planned Spending	Plus: LIAs			
<b>AECB</b>	442	49.3	1.6	0.6	51.5	-----	51.5	-----	51.5
<b>Total</b>	442	49.3	1.6	0.6	51.5	-----	51.5	-----	51.5

**Table 6: Transfer Payments by Program and Business Line**

(\$ thousands)	Forecast Spending 1998-1999	Planned Spending 1999-2000	Planned Spending 2000-2001	Planned Spending 2001-2002
<b>Grants</b>				
Grants to support non-profit organizations that are furthering the development of nuclear safety standards	15	12	12	12
<b>Total grants</b>	15	12	12	12
<b>Contributions</b>				
Contributions to the Cost-Free Manpower Assistance Program and to procure related goods and services required to execute the Canadian Safeguards Support Program for the International Atomic Energy Agency	691	615	615	615
Contribution to the University of Illinois at Urbana-Champaign in support of the Information System of Occupational Exposure (ISOE)	15	15	15	15
<b>Total contributions</b>	706	630	630	630
<b>Total grants and contributions</b>	721	642	642	642

**Table 7: Revenue by Program**

(\$ millions)	Forecast Revenue 1998-1999	<b>Planned Revenue 1999-2000</b>	Planned Revenue 2000-2001	Planned Revenue 2001-2002
<b>Revenue Credited to the Vote</b>	0.0	<b>0.0</b>	0.0	0.0
<b>Revenue Credited to the Consolidated Revenue Fund (CRF)</b>	36.7	<b>37.6</b>	38.5	37.7
<b>Total Revenue</b>	36.7	<b>37.6</b>	38.5	37.7

**Table 8: Net Cost of Program for the Estimates Year**

(\$ millions)	<b>Total</b>
Gross Planned Spending	<b>51.5</b>
Plus:	
<i>Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	<b>3.4</b>
Contributions covering employer's share of employees' insurance premiums and costs paid by TBS	<b>1.6</b>
Workman's compensation coverage provided by Human Resources Canada	<b>0.0</b>
Salary and associated costs of legal services provided by Justice Canada	<b>0.0</b>
Total Cost of Program	<b>56.5</b>
Less:	
Revenue Credited to the Vote	--
Revenue Credited to the CRF	<b>37.6</b>
Total Revenue	<b>37.6</b>
1999-2000 Estimated Net Program Cost	<b>18.9</b>

**Table 12: Listing of Statutes and Regulations**

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

<i>Atomic Energy Control Act</i>	<i>R.S.C., 1985, Chapter A-16</i>
<i>Nuclear Liability Act</i>	<i>R.S.C., 1985, Chapter N-28</i>

**Table 13: References**

Atomic Energy Control Board, *Annual Report 1997-1998*.

Atomic Energy Control Board, *Performance Report 1997-1998*.

For further information about the Atomic Energy Control Board, contact:

Communications Division  
Atomic Energy Control Board  
280 Slater Street  
Ottawa, Ontario  
K1P 5S9

Telephone: (613) 995-5894  
1-800-668-5284

Fax: (613) 995-5086

E-mail: [info@atomcon.gc.ca](mailto:info@atomcon.gc.ca)

Internet: <http://www.gc.ca/aecb>