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Notes for a Speech by

The Honourable Lisa Raitt, P.C., M.P.
Minister of Natural Resources

Statement to the Standing Committee on Natural Resources
Regarding
Bill C-20 – an Act Respecting Civil Liability and Compensation for Damage
Caused by a Nuclear Incident

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Introduction

Mr. Chairman, I am pleased to have this opportunity to speak to the Standing Committee today on Bill C-20 — an *Act Respecting Civil Liability and Compensation for Damage Caused by a Nuclear Incident*.

This legislation, which passed second reading in the House of Commons in June, will repeal the *Nuclear Liability Act* and bring Canada's liability legislation in line with the other pieces of our modern nuclear regulatory framework.

As Committee Members know, the Government recognizes that a strong nuclear industry brings great economic and environmental benefits to Canadians. But the Government also has a responsibility:

- to ensure the public interest – health, safety and the environment - is protected through strong legislation and regulations;
- to ensure the legal framework is in place to allow nuclear development to proceed efficiently.

Federal Responsibility

Canada's nuclear safety record is second to none in the world. We have a robust technology, a well-trained workforce, and stringent regulatory requirements. The three main pieces of legislation that govern Canada's nuclear industry are: the *Nuclear Safety and Control Act*, the *Nuclear Fuel Waste Act* and the *Nuclear Liability Act*. Both the *Nuclear Safety and Control Act* the *Nuclear Fuel Waste Act* are modern pieces of legislation that put Canada at the forefront of nuclear regulation. The *Nuclear Liability Act*, while

standing the test of time, needs to be updated to complete our modern legislative framework for nuclear.

In Canada, we put in place the *Nuclear Liability Act* over 30 years ago to establish a comprehensive liability framework for injury and damage arising from nuclear incidents. Both this earlier legislation — and Bill C-20 now before this House — apply to:

- nuclear power plants,
- nuclear research reactors,
- fuel fabrication facilities,
- and facilities for managing used nuclear fuel.

The framework established under the initial *Nuclear Liability Act* is based on the principles of:

- absolute and exclusive liability of the operator,
- mandatory insurance
- and limitations in time and amount.

These principles are common to nuclear legislation in most other countries, such as the United States, France, and the United Kingdom. And these principles are just as relevant today.

Mr. Chairman, the underlying principles of Canada's existing nuclear liability framework balance the needs of victims with society's interests in nuclear development.

It has provided the stability and security needed to support the continued development of Canada's nuclear power industry.

Modernization

However, Mr. Chairman, although the basic principles underlying Canada's nuclear liability legislation remain valid, the Act needs updating to address issues that have become evident over the years, and to keep pace with international developments. As a result, the Government of Canada has conducted a comprehensive review of the Act and is proposing the new legislation that the Committee is considering.

Bill C-20 is a major step forward in a comprehensive modernization of Canada's nuclear liability legislation. It puts Canada in line with internationally accepted compensation levels. It clarifies definitions for compensation and the process for claiming it.

Widespread Support

Mr. Chairman, the challenge for the government in developing this legislation was to be fair to all stakeholders and to strike an effective balance in the public interest.

The Bill is the culmination of years of consultation involving extensive discussions with major stakeholders, including nuclear utilities, the governments of nuclear power-generating provinces and the Nuclear Insurance Association of Canada. It has received broad support.

I know that some nuclear operators may be concerned about cost implications for higher insurance premiums, but they also recognize that they have been sheltered from these costs for some time.

Suppliers welcome the changes as they provide more certainty for the industry. Nuclear insurers appreciate the clarity provided in the new legislation and the resolution of some longstanding concerns.

Provinces and municipalities with nuclear facilities have also been supportive of the proposed changes.

Conclusion

Mr. Chairman, Canada's nuclear safety record is second to none in the world. The *Nuclear Safety and Control Act* and the *Nuclear Liability Act* provide a solid legislative framework for regulating the industry and have done so since Canada's industry emerged as a world player. The former seeks to prevent and minimize nuclear incidents, while the latter applies should an incident occur.

However — unlikely as it may be — we must be prepared for the possibility of a serious nuclear incident that could result in significant compensation costs.

For these and other sound reasons, I would ask Honourable members to support this legislation.