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Canadian Explosives Regulatory Regime Introduction and Regulatory Review

Canadian Explosives Association
May 2023

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Agenda

1. Changes to the Explosives Regulatory Division Team
2. ERD Priorities Moving Forward
3. The Regulatory Review: Update and Review of Package #2
4. Case Study: Unintended Explosion
5. Updates on Key Issues
6. Licensing & Inspection: 2022/23 Trends and What's New for 2023/24



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Explosives Regulatory Division

Associate ADM
Director General & CIE
Rinaldo Jeanty

Executive Director
Susan Archer

Investigations & Prosecutions

Ken Faulkner

Support to investigations and prosecutions

Licensing & Inspection

**David Mohn West
Rebecca Holmberg
East**

Licensing and certification for manufacturing, storage and sale

Compliance promotion, monitoring and verification

Technical Services

Michael Lafleur

- Authorizations
- Fireworks
- Import
- Export
- Approval letters
- QD/MPUs
- eLMS
- Risk assessment
- Program Support
- Policy/Guidelines

Restricted Components

Meagan Martin

RC Enrolment

PCS licensing

Compliance promotion, monitoring, and verification

Policy & Regulatory Affairs

Erin Malley

Regulatory Review

Legislative, Reg and policy development



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Top Three Priorities

1. Regulatory Review
2. Modernization of the eLMS system
3. Modernization of the Explosives Policy Framework



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Update on Regulatory Review



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Regulatory Plan

To address 280 comments, work was divided into two consecutive regulatory amendment packages

1. Amendments Package #1: Economic Growth and Enhancing Safety

- Improve efficiency by reducing admin burden, aligning with partners, clarifying intent
- Address safety and security risks

2. Amendments Package #2: Program Modernization

- Update licensing and fee regimes
- Explore new requirements and innovation
 - Advanced high power rocket motors
 - Underground manufacturing
 - Transportation permits
 - Propellant powders sellers' vendor magazine licences



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Timelines and Next Steps

Package 1

Key Package 1 Milestones

- Public consultation in *Canada Gazette Part 1* spring 2023
- Coming into force winter 2023/24

Package 2

Key Package 2 Targets

- Pre-consultation spring 2023
- *Canada Gazette Part 1* spring 2024
- Coming into force fall 2024



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Package 1: Enhance Safety and Security & Reduce Burden

Addressing safety and security risks

- Propellant powder: reducing personal unlicensed storage amounts
- Reactive targets: enhancing safety by reducing storage amounts, and prohibiting off-label use
- Novelty devices: creating a new category of lower-risk fireworks devices such as sparklers

Aligning with Other Government Departments

- Raising the minimum age of hazardous work to 18, to align with Labour Canada

Modernization

- Updating to reflect modern industry practices and removing outdated requirements
- Streamlining, clarifying, and removing duplication in transportation requirements
- Allowing hybrid firework shows

Reducing unnecessary burden

- Removing annual reporting requirements



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Package 2



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Providing Transparency

Section 25- Authorization not required

Proposed amendments would clarify what other related activities would be allowed without authorization

- E.g., where the manufacture of a small amount is allowed without authorization at a university, law enforcement agency, or for a test at a commercial lab, amendments would clarify that small amounts of explosives could also be stored, if necessary

Formalizing third-party magazine licences

Shared licence

- Allows for the storage of explosives by a party in the magazine(s) of another authorized licence holder

Drop-ship licence

- Authorizes the acquisition of explosives for sale, for the purpose of explosives order fulfillment



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Meeting Stakeholder Needs

Magazine Fire Safety Plan Requirements

Reduce administrative burden for magazine licence holders by:

- Replacing the requirement to submit fire safety plans to local fire departments, with a requirement to provide fire safety plans to local fire departments upon request

Rocket Motors

Support rocket motor innovation by:

- Increasing the amount of model rocket motors that may be imported without a permit from 6 to 40
- Creating a new 'advanced high-power' rocket motor category to harmonize Canadian rules with foreign jurisdictions
 - Reclassify rockets from S.2 to new R.4 category
 - Keep existing S.2 safety and storage precautions and inherit safety measures from R.1, R.2 and R.3



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Needs (cont'd)

Fireworks Operating Certificates- Display Assistant

Proposed amendments would remove the requirement for Display Assistants to receive a Fireworks Operating Certificate from NRCan prior to working as a Display Assistant

- Display Assistants would still be required to successfully complete certified fireworks safety and legal awareness course
- Display Supervisors would continue to verify that Display Assistants meet training requirements

Avalanche Towers

To clarify requirements for avalanche towers, proposed amendments would add:

- The assembly of deployment boxes for use in remote avalanche towers to the list of Division 3 activities
- An exemption for the storage of explosives in remote avalanche towers



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Manufacturing

Proposed amendments to Part 5 of the *Explosives Regulations, 2013* include:

Division 1 Manufacturing:

- Clarify acceptable distance requirements for Mobile Processing Units (MPUs) not at mines or quarries
- Update definition of client site to permit manufacturing perforating guns at a point of use site
- Remove requirements for topography of sites to be included with Division 1 licence applications
- Remove requirement to clean MPUs if not used within 30 consecutive days to remove redundancy with Division 1 requirements
- Add flexibility to training requirements to allow delivery by any person deemed competent



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Manufacturing (cont'd)

Division 2 Manufacturing

Proposed amendments would clarify the types of activities and circumstances that would qualify as needing a Division 2 manufacturing licence:

- Clarify that manufacturing Type D ammunition falls under Division 2 manufacturing
- Clarify that a Division 2 licence can only be issued for the non-mechanical mixing of non-explosive components for the purpose of manufacturing industrial explosives at the site where they will be used
- Clarify that Division 2 licences for destroying explosives cannot be issued for types D, E, or I explosives
- Remove references to activities under Division 2 which have not been issued licences for over 10 years
 - Net throwing devices
 - Manufacturing for sale by person without a vendor magazine licence
 - Any other activity related to manufacture and storage



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Manufacturing (cont'd)

Underground Manufacturing

Proposed amendments would require licences for underground manufacturing to better align with risks, specifically the proposal would:

- Move underground activities currently mentioned as a Division 3 manufacturing activity to Division 1
- Broaden definition of vulnerable place to capture underground manufacturing
- Exempt underground manufacturing from Division 1 requirements related to thunderstorm safety



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Transportation Permits

To increase safety and security regarding Part 9 transportation requirements, and ensure the security screening of drivers with access to high-hazard explosives, proposed amendments would implement a permit regime for the transportation of certain explosives.

- Require carriers to hold a 3-year permit for the transportation of explosives not listed in the section 190 exemptions list with exemptions for Law Enforcement Agencies and Fireworks Operating Certificate holders
- Introduce training requirements for transportation permit holders
- Require that carriers ensure drivers are trained to be competent on Part 9 requirements
- Require that shippers verify that carriers are transportation permit holders
- Amend Part 8 screening to include transportation so that drivers would require an approval letter or equivalent document to transport high-hazard explosives



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Propellant Powder Sellers: Vendor Licences

Proposed amendments would enhance security by updating the requirements for sellers of propellant powders, including black powder and smokeless powder by:

- Requiring all retailers to obtain a licence to acquire, store, and sell propellant powder
- Requiring distributors to establish a retailer's identity, by the retailer providing a licence or manufacturing certificate which authorizes the retailer to purchase propellant powder
- Requiring distributors to keep records of each sale of propellant powder to retailers for two years after the date of sale
- Removing the requirement for retailers without a licence to provide a written notice to the Chief Inspector of Explosives that they intend to sell/stop selling propellant powder



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Fee Modernization

Why

- **Inflation**: Under previous law federal government departments could not automatically adjust fees to inflation- the law changed in 2019, to allow annual adjustments going forward, yet previous years of inflation eroded the real dollar value of current fees
- **Complexity**: Fees calculations are complex

How

- **Costing**: Analyzed the total cost of issuing permits, licences and certificates
- **Pricing analysis**: public/private benefit analysis, international benchmarking, industry analysis
- **Drafting fee proposal**: developed a fee proposal outlining analysis and updated fees for consultation

Next steps:

- Pre-consultation on proposed amendments and fees in **late spring 2023**
- Public consultation as part of package 2 in *Canada Gazette Part I* in **spring 2024**



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Thank You



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