



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Record of Decision

In the Matter of

Applicant Nordion (Canada) Inc.

Subject Application to Transfer the Nordion (Canada)
Inc. Nuclear Substance Processing Facility
Operating Licence

Date of
Decision February 26, 2019

RECORD OF DECISION

Applicant: Nordion (Canada) Inc.

Address/Location: 447 March Road, Ottawa

Purpose: Application to Transfer the Nordion (Canada) Inc. Nuclear Substance Processing Facility Operating Licence

Application received: November 8, 2018

Date of decision: February 26, 2019

Location: Canadian Nuclear Safety Commission (CNSC)
280 Slater St., Ottawa, Ontario

Panel of Commission: R. Velshi, President

Licence: Transferred

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1.0 INTRODUCTION

1. Nordion (Canada) Inc. (Nordion), as identified by corporate number 891613-6, has submitted a request to the Canadian Nuclear Safety Commission¹ (CNSC), under subsection 24(2) of the *Nuclear Safety and Control Act*² (NSCA), to transfer the Nuclear Substance Processing Facility Operating Licence (NSPFOL) for its Class IB facility located in Ottawa, Ontario to the recently amalgamated successor corporation of the same name but with a different corporate number. The current licence, NSPFOL-11A.00/2025, is valid until October 31, 2025.
2. Following an internal corporate reorganization, Nordion was amalgamated with its direct parent company, 8921903 Canada, Inc., and two other companies, Lakeshore Health Centre Inc. and Nordion Sterilization Inc. The resulting amalgamated company retained the corporate name of Nordion (Canada) Inc. but was assigned a new corporate number, 1115250-5, on January 1, 2019. In anticipation of the January 1, 2019 amalgamation, Nordion submitted to the CNSC an application to transfer its NSPFOL to the amalgamated corporation on November 8, 2018.
3. Nordion's Class IB facility is located adjacent to industrial and residential property in Kanata, a suburb of Ottawa, Ontario. At this facility, Nordion processes unsealed radioisotopes for health and life sciences applications, and manufactures sealed cobalt-60 sources for industrial applications.

Issue

4. In considering the application, the Commission was required to decide:
 - a) whether Nordion (as identified by corporate number 1115250-5) is qualified to carry on the activity that the transferred licence would authorize; and
 - b) whether, in carrying on that activity, Nordion (as identified by corporate number 1115250-5) would make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

Hearing

5. Pursuant to section 22 of the NSCA, I established myself to preside as a Panel of one Commission Member to hear the application. The Commission, in conducting a public hearing based on written materials, considered written submissions from Nordion (CMD

¹ The *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general, and as the "Commission" when referring to the tribunal component.

² Statutes of Canada (S.C.) 1997, chapter (c.) 9.

19-H102.1) and CNSC staff (CMD 19-H102).

6. The Commission notes that Nordion's licence transfer application also includes a request for the transfer of CNSC Export Licence EL-11A.00/2025. Since this EL was issued by a CNSC designated officer (DO), the decision in respect of this export licence transfer to the amalgamated corporation of Nordion will be made at a later date by an authorized DO pursuant to paragraph 37(2)(d) of the NSCA.

2.0 DECISION

7. Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Decision*, the Commission concludes that Nordion, as identified by corporate number 1115250-5, satisfies the conditions of subsection 24(4) of the NSCA. Therefore,

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, transfers the Nuclear Substance Processing Facility Operating Licence NSPFOL-11A.00/2025 issued to Nordion (Canada) Inc. (corporate number 891613-6) for its Class IB facility located in Ottawa, Ontario to the amalgamated corporation named Nordion (Canada) Inc. (corporate number 1115250-5). The transferred licence, NSPFOL-11A.01/2025, is valid until October 31, 2025.

3.0 ISSUES AND COMMISSION FINDINGS

8. In making its licensing decision, the Commission considered a number of issues and submissions relating to the qualification of the amalgamated corporation of Nordion to carry out the licensed activities. The Commission also considered the adequacy of Nordion's proposed measures for protecting the environment, the health and safety of persons, national security and international obligations to which Canada has agreed.
9. Details and the Commission's consideration of information submitted by Nordion in support of this licence transfer application and of CNSC staff assessments in relation to this matter are provided in the following sections of the *Record of Decision*.

3.1 Matters for Consideration

10. In its written submission, Nordion informed the Commission that, through an internal corporate reorganization, Nordion (corporate number 891613-6) would be amalgamated with its direct parent company – 8921903 Canada Inc. – and two other companies. Nordion further submitted that the resulting corporation would continue to be identified under the same name, Nordion (Canada) Inc., but with a new corporate number which would be issued on January 1, 2019.

11. CNSC staff reported in its written materials that, on January 2, 2019, Nordion had submitted to the CNSC a Certificate of Amalgamation issued by Innovation, Science and Economic Development on January 1, 2019, confirming Nordion's new legal identity of the same name – Nordion (Canada) Inc. – but new corporate number 1115250-5. An effect of the amalgamation is that Nordion under the corporate number of 891613-6 no longer exists and that all of its rights and obligations are transferred to amalgamated Nordion (corporate number 1115250-5). As the amalgamated Nordion corporation is a distinct corporate body, it must be the licensee.
12. The Commission examined the organizational information submitted by Nordion. Nordion reported that the amalgamated corporation would retain the same address, direction, personnel and ultimate owners, and submitted information about its pre- and post-amalgamation organizational structure. Nordion also submitted that its management structure, management system documents and employees responsible for licensed activities would not change following the corporate amalgamation. Nordion confirmed to the Commission that the amalgamated corporation would remain technically qualified as the licensee, fulfilling all licensing requirements.
13. In its written materials, CNSC staff submitted that its review of Nordion's licence transfer application showed that no changes to Nordion's operational or safety management system documents had occurred as a result of the corporate amalgamation and that no changes to licence conditions were proposed through Nordion's licence transfer request. CNSC staff also submitted that it was satisfied that Nordion's facility, equipment, procedures, nuclear substances and personnel required for its licensed activities remained the same following the corporate amalgamation.
14. The Commission requires that Nordion maintain a financial guarantee for the decommissioning of its Class IB facility, pursuant to licence condition 1.3 of its NSPFOL.³ Nordion submitted that the financial guarantee for its Class IB facility would remain in place following the corporate amalgamation.
15. CNSC staff reported that, as part of the record for this hearing in writing, Nordion had provided CNSC staff in with documentation in December 2018 to demonstrate that Nordion's financial guarantee instruments, a letter of credit and a surety bond, were still in place following Nordion's corporate amalgamation. CNSC staff further submitted that, since the amalgamation did not result in any changes to licensed activities, the amount of the financial guarantee approved by the Commission in 2015 as part of Nordion's licence renewal⁴ remained valid.

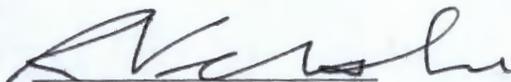
³ Licence condition 1.3 of NSPFOL-11A.01/2025: “*The licensee shall maintain a financial guarantee for decommissioning that is acceptable to the Commission.*”

⁴ CNSC Record of Decision – Nordion (Canada) Inc., *Application to Renew the Nuclear Substance Processing Facility Operation Licence for Nordion (Canada) Inc.*, issued September 28, 2015.

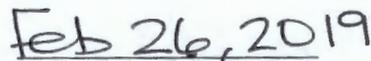
16. Based on the information provided, the Commission is satisfied that Nordion's application to transfer its NSPFOL to Nordion's amalgamated corporate identity under corporate number 1115250-5 does not propose any additional changes to the existing licence.
17. The Commission is also satisfied that Nordion meets and will continue to meet the requirements for a financial guarantee as required by its operating licence and that the amount of the financial guarantee remains adequate.

4.0 CONCLUSION

18. The Commission has considered the licence transfer application and supporting documentation, including the letter of amalgamation and financial guarantee documentation, submitted by Nordion. Based on its consideration of the information submitted, the Commission is satisfied that the application submitted by Nordion meets the requirements of the NSCA, the *General Nuclear Safety and Control Regulations*⁵ and other applicable regulations made under the NSCA.
19. The Commission has also considered the information and submissions of Nordion and CNSC staff as set out in the material available for reference on the record.
20. The Commission is satisfied that the licensee meets the test set out in subsection 24(4) of the *Nuclear Safety and Control Act*. That is, the Commission is of the opinion that Nordion, as identified by corporate number 1115250-5, is qualified to carry on the activity that the transferred licence will authorize and that it will make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.
21. The Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, transfers the Nuclear Substance Processing Facility Operating Licence NSPFOL-11A.00/2025 issued to Nordion (Canada) Inc. (corporate number 891613-6) for its Class IB facility located in Ottawa, Ontario to the amalgamated corporation named Nordion (Canada) Inc. (corporate number 1115250-5). The transferred licence, NSPFOL-11A.01/2025, is valid until October 31, 2025.



Rumina Velshi
President,
Canadian Nuclear Safety Commission



Date

⁵ SOR/2000-202