### **Record of Decision**

DEC 25-H111

In the Matter of

Licensee Subject to Decision

1908273 Ontario Ltd.

Purpose

Recommendation for Licence Revocation under Section 25 of the *Nuclear Safety* and Control Act

Record of Decision Date

July 29, 2025

#### RECORD OF DECISION – DEC 25-H111

Licensee Subject to Decision: 1908273 Ontario Ltd.

Address/Location: 9600 Bathurst Street, Vaughan, Ontario, L6A 3Z8

Purpose: Recommendation for Licence Revocation under

Section 25 of the Nuclear Safety and Control Act

Date of Receipt of Licence

Revocation Recommendation:

May 27, 2025

Date of Decision: July 29, 2025

Panel of Commission: P. Tremblay, President

Licence: Revoked

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#### 1.0 INTRODUCTION

- 1. 1908273 Ontario Ltd., operating as Vitalim Diagnostic Imaging (the licensee), holds Canadian Nuclear Safety Commission<sup>1</sup> (CNSC) nuclear substances and radiation devices licence no. 15185-1-26.1. This licence authorizes the licensee to perform diagnostic nuclear medicine procedures and is valid until February 28, 2026.
- 2. The licensee is located at 9600 Bathurst Street in Vaughan, Ontario. This is on Treaty 13 territory and the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples, and now home to many diverse First Nations, Inuit and Métis peoples.
- 3. Due to a number of factors, including failure to comply with regulatory requirements, CNSC staff recommended to the Commission that it revoke licence no. 15185-1-26.1 on its own motion under section 25 of the <u>Nuclear Safety and Control Act</u><sup>2</sup> (NSCA) and paragraphs 8(2)(a), (c), (f), and (g) of the <u>General Nuclear Safety and Control Regulations</u><sup>3</sup> (GNSCR).<sup>4</sup>

#### 2.0 DECISION

4. For the reasons described below, the Commission revokes licence no. 15185-1-26.1 issued to 1908273 Ontario Ltd. (Vitalim Diagnostic Imaging).

#### 3.0 ISSUES

- 5. The Commission may, on its own motion, renew, suspend in whole or in part, amend, revoke or replace a licence under the prescribed conditions. Subsection 8(2) of the GNSCR provides the conditions under which the Commission may exercise these powers:
  - (a) the licensee is not qualified to carry on the licensed activity;
  - (b) the licensed activity poses an unreasonable risk to the environment, the health and safety of persons or the maintenance of national security;
  - (c) the licensee has failed to comply with the Act,<sup>6</sup> the regulations made under the Act or the licence:
  - (d) the licensee has been convicted of an offence under the Act;
  - (e) a record referred to in the licence has been modified in a manner not permitted by the licence;

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> S.C. 1997, c. 9.

<sup>&</sup>lt;sup>3</sup> SOR/2000-202.

<sup>&</sup>lt;sup>4</sup> CNSC staff submission, CMD 25-H111.

<sup>&</sup>lt;sup>5</sup> See section 25 of the NSCA.

<sup>&</sup>lt;sup>6</sup> The Act refers to the *Nuclear Safety and Control Act*.

- (f) the licensee no longer carries on the licensed activity;
- (g) the licensee has not paid the licence fee prescribed by the Cost Recovery Fees Regulations; or
- (h) failure to do so could pose an unreasonable risk to the environment, the health and safety of persons or national security.

#### 4.0 COMMISSION PROCEDURES

- 6. Pursuant to section 22 of the NSCA, the President of the Commission established himself as a Panel of the Commission to consider CNSC staff's recommendation on this matter.
- 7. Pursuant to paragraph 40(1)(b) of the NSCA, the Commission provided the licensee an opportunity to be heard before considering the potential revocation of its licence under section 25 of the NSCA.<sup>7</sup> The licensee did not exercise its opportunity to be heard and did not provide any submissions for the hearing.

#### 5.0 COMMISSION FINDINGS

8. In considering whether to revoke licence no. 15185-1-26.1, the Commission considered the applicability of the conditions set out in subsection 8(2) of the GNSCR. The conditions that the Commission found relevant to this matter are discussed below.

## 5.1 The licensee failed to comply with the NSCA and the regulations made under it

- 9. CNSC staff submitted that the licensee failed to do the following:<sup>8</sup>
  - demonstrate proper implementation and oversight of its radiation protection program as required by the *Radiation Protection Regulations*, including failure to appoint a Radiation Safety Officer (RSO)
  - abide by the terms of order no. 1275 by performing prohibited activities (transfer of nuclear substances to another CNSC licensee)
  - provide adequate corrective actions to findings from the CNSC inspection in April and May 2024
  - cooperate with CNSC staff
- 10. CNSC staff submitted that the licensee's RSO left the licensee's employment in June 2023 and that the licensee did not appoint a replacement. CNSC staff reported that it

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<sup>&</sup>lt;sup>7</sup> Notification of Opportunity to be Heard on Revocation of Licence No. 15185-1-26.1, issued to 1908273 Ontario Ltd., CNSC, June 10, 2025 (CNSC Document ID: DAMZHJW66V33-166150894-1816)

<sup>&</sup>lt;sup>8</sup> See CMD 25-H111, section 1.3 and Reference 11.

<sup>&</sup>lt;sup>9</sup> SOR/2000-203.

was not informed of the RSO's departure until April 2024.<sup>10</sup>

- 11. CNSC staff conducted a two-day inspection in April and May 2024. This inspection resulted in 22 items of non-compliance, including many repeat items from previous inspections, and the issuance of <u>order no. 1275</u><sup>11</sup> which prohibited the use, transfer, import or export of radioactive materials until the licensee could demonstrate control of its radiation protection program. CNSC staff reported that the licensee was not cooperative during this inspection and did not provide adequate corrective actions to remedy the inspection findings, despite repeated requests from CNSC staff.<sup>12</sup>
- 12. CNSC staff requested an up-to-date radioactive material inventory record from the licensee on January 10, 2025. CNSC noted that it was required to verify the security of licensee's radioactive inventory, given that the licensee had failed to restore control of its radiation protection program. The licensee was unable to provide an inventory record. Resultingly, on January 17, 2025, a CNSC inspector issued order no.15185-JF-250117-1<sup>13</sup> to the licensee to decommission its licensed location.<sup>14</sup>
- 13. During a site visit to observe decommissioning activities, on January 27, 2025, CNSC staff discovered that the licensee had already transferred its inventory of nuclear substances to another CNSC licensee, in direct contravention of order no. 1275. 15
- 14. The Commission finds that the evidence on the record shows that the licensee failed to comply with the NSCA and the *Radiation Protection Regulations* by failing to adequately implement a radiation protection program, failing to implement effective corrective actions, and by disregarding a CNSC inspector order.

#### 5.2 The licensee is not qualified to carry on the licensed activity

- 15. CNSC staff submitted that the licensee is no longer qualified to carry on the licensed activity given the licensee's failure to comply with regulatory requirements and failure to adequately implement corrective actions, as outlined in section 5.1 of this *Record of Decision*.
- 16. CNSC staff also noted the licensee's lack of responsiveness to, and cooperation with, CNSC staff. CNSC staff submitted that the licensee's lack of cooperation demonstrates that the licensee does not have the necessary resources or knowledge to ensure compliance with regulatory requirements.<sup>16</sup>
- 17. The Commission finds that the licensee's performance history demonstrates that the licensee is no longer qualified to carry on the activities authorized under licence no.

<sup>&</sup>lt;sup>10</sup> See CMD 25-H111, section 1.3.

<sup>&</sup>lt;sup>11</sup> Order Under Section 35 or Paragraph 37(2)(f) of the Nuclear Safety and Control Act, CNSC, May 4, 2024 (CNSC e-Doc 7279142).

<sup>&</sup>lt;sup>12</sup> See CMD 25-H111, section 1.3.

<sup>&</sup>lt;sup>13</sup> Order Under Section 35 or Paragraph 37(2)(f) of the Nuclear Safety and Control Act, CNSC, January 17, 2025 (CNSC e-Doc 7445890).

<sup>&</sup>lt;sup>14</sup> See CMD 25-H111, section 1.3.

<sup>&</sup>lt;sup>15</sup> See CMD 25-H111, section 1.3.

<sup>&</sup>lt;sup>16</sup> See CMD 25-H111, section 3.

1585-1-26.1. The licensee has demonstrated a lack of control over its radiation protection program and has not adequately responded to inspection findings or the requirements of order no. 1275. The Commission emphasizes that all licensees are expected to fully cooperate with CNSC staff, both during inspections and during regular oversight activities.

#### 5.3 The licensee no longer carries on the licensed activity

- 18. CNSC staff reported that the licensee had not provided diagnostic nuclear medicine procedures since November 2023, as verified by CNSC staff during inspections in April and May 2024. Following the issuance of order no. 15185-JF-250117-1, the licensee decommissioned its licensed facility and provided CNSC staff with a final decommissioning report on January 29, 2025.<sup>17</sup>
- 19. CNSC staff verified that 3 of the 5 sealed nuclear substances belonging to the licensee had been removed from the licensed site. CNSC staff confirmed that the two remaining sources are below the exemption quantities and therefore do not require regulatory control.<sup>18</sup>
- 20. CNSC staff assessed that there is no risk to the health and safety of the public or the environment as the licensed location is decommissioned and the licensee is unable to acquire any nuclear substances or radiation devices.<sup>19</sup>
- 21. The Commission is satisfied that the information on the record shows that the licensee is no longer carrying on the activities authorized under licence no. 15185-1-26.1 and that the licensed location no longer requires regulatory control.
- 22. Given that the licensee has not operated since November 2023, the Commission finds that the health of Canadians will not be impacted by the revocation of licence no. 15185-1-26.1 and that the *Directive to the Canadian Nuclear Safety Commission on the Health of Canadians*<sup>20</sup> has no bearing on this matter.

# 5.4 The licensee has not paid the licence fee prescribed by the *Cost Recovery Fees Regulations*

- 23. The <u>Canadian Nuclear Safety Commission Cost Recovery Fees Regulations</u><sup>21</sup> outline the framework for licensing fees charged to CNSC licensees. CNSC staff submitted that the licensee has not paid its 2024-2025 and 2025-2026 annual licensing fees, amounting to over \$15,000.
- 24. CNSC staff reported that it issued multiple notices to the licensee regarding the outstanding fees, and that the remaining balance had since been transferred to the CNSC's collection agency.

<sup>&</sup>lt;sup>17</sup> See CMD 25-H111, section 1.3.

<sup>&</sup>lt;sup>18</sup> See CMD 25-H111, section 2.1.

<sup>&</sup>lt;sup>19</sup> See CMD 25-H111, section 2.1.

<sup>&</sup>lt;sup>20</sup> SOR/2007-282.

<sup>&</sup>lt;sup>21</sup> SOR/2003-212.

25. The Commission finds that the licensee has failed to pay its cost recovery fees as required by the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations*.

#### 6.0 CONCLUSION

26. Based on the information on the record, the Commission finds that the conditions of paragraphs 8(2)(a), (c), (f), and (g) of the GNSCR are applicable to this matter. Therefore, pursuant to section 25 of the NSCA, the Commission revokes licence no. 15185-1-26.1 issued to 1908273 Ontario Ltd. (Vitalim Diagnostic Imaging).

re F. Tremblay July 29, 2025
Date

Pierre F. Tremblay President Canadian Nuclear Safety Commission