

December 7, 2010

To All Members of CALA:

This past year, the CALA Board of Directors has worked with its management staff to create a new, more sustainable business model for our association. Our new model will completely remove the subsidy of one program by another.

Historically, revenue generated from our Proficiency Testing (PT) program was used to offset a significant portion of a laboratory's accreditation costs, allowing us to maintain accreditation fees much lower than many other accreditation bodies. Although this model has served our accredited laboratories well in the past, competition from other PT providers and changing international requirements for accreditation bodies requires us to change to a model in which each CALA program becomes financially self-sustaining.

A failure by CALA to adjust to these new realities will put our PT program at serious risk from competition. As well, it is possible that recent changes to ISO and ILAC requirements will necessitate the separation of the PT and Accreditation program into separate legal entities; should this occur, it is important that the accreditation program be financially viable.

As a result we are pleased to announce that our PT fees will be reduced by 26% effective January 1, 2011. Any laboratory that has already paid for their January PT will be given a credit as part of the post-study adjustments. This fee reduction will put CALA in a stronger position to meet competitive pressures from other PT providers. We are also planning an additional reduction of 10% for 2012, if possible.

Implementation of this new model will also impact Site Assessment fees. The new fee structure will be moving from biennial to annual assessment fees starting in 2011. This change provides better cash flow management for laboratories as well as for CALA. This is a similar approach to that used by other accrediting bodies both here in Canada and around the world.

We recognize that our decision to implement annual fees may cause some short-term budgetary pressures for those laboratories not expecting to have an accreditation expense in 2011. A graduated assessment fee has been calculated to maintain parity between laboratory fees for assessment as we implement this new annual fee structure.

In an effort to enhance transparency, assessor travel and accommodation expenses are no longer built into the fees. Instead, these expenses will be invoiced separately to laboratories following the assessment. This change will also be fairer to laboratories in that only those travel and related expenses incurred will be billed, as opposed to all laboratories being assigned an average amount built into the assessment fee.

CALA staff will make every effort to take geographical location into account when scheduling assessments so that the financial impact on the laboratory is minimized.

The impact of these changes will be different for each laboratory. A general conclusion is that all laboratories will see an increase in accreditation fees, but any laboratory that participates in the CALA PT program will also see significant reductions in these fees.

You can find the new CALA fee schedule (P02-02) on the CALA Website at [http://www.cala.ca/P02-02-Fee\\_Schedule.pdf](http://www.cala.ca/P02-02-Fee_Schedule.pdf) If you need assistance to determine the impact on your laboratory, please do not hesitate to contact CALA Staff.

Sincerely,



Paul Fewer  
President



C. Charles Brimley  
Chief Executive Officer