

Subject: Message from the President of CAEAL

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From: Webmaster <webmaster@caeal.ca>

To: CAEAL

Cc: CAEAL Board

MESSAGE FROM THE PRESIDENT OF CAEAL

RUSS CALOW, B.SC., CCHEM

FEBRUARY 5, 2004

I am once again writing to our membership to keep you apprised of events and issues facing CAEAL. In particular, I would like to bring you up to date with the status of our discussions with the Standards Council of Canada (SCC) towards renewing the partnership.

Before proceeding, let me remind you of the background on this issue.

At the 2003 CAEAL Annual General Meeting the Board asked the Membership to consider breaking away from the SCC partnership. The Board had arrived at this recommendation after lengthy consideration of the following issues:

(1) The SCC had repeatedly ignored serious questions from CAEAL about the value of their services within the existing partnership model.

(2) The SCC had proposed a large increase in fees without explanation of its costs or the services provided.

(3) Conformance with the new ISO/IEC 17011 standard within the existing SCC/CAEAL Partnership would cause CAEAL to lose significant control of the environmental lab accreditation stream. The structure of SCC's PALCAN program, and the way it has been delivered historically via the PALCAN staff and TG Labs committee gave the Board serious concerns that Canada would not be able to maintain the world-class accreditation program for environmental laboratories that CAEAL had built-up.

At the 2003 AGM, the Membership expressed concerns about the speed with which the issues with the SCC had arisen, and asked that the two organizations try to work out a solution prior to the 2004 AGM.

The Board pledged to open negotiations with the SCC, and Russ Calow and Rick Wilson started a process of renewal with the SCC that included all existing PALCAN partners (CAEAL, BNQ, NRC-CLAS) and one new potential partner (the Ontario Medical Association). Since the start of this process we have had three multi-partner meetings, as well as several one-on-one meetings

with SCC senior management.

So in November 2003, six months after the AGM, and after numerous meetings and communications with the SCC, we had agreement on the following:

(1) The SCC finances were made more transparent. In 2003 the PALCAN program needed approximately \$1,400 per lab to achieve full cost recovery. CAEAL's laboratories were paying an average of \$1,100 per lab with all fixed and user fees included. PALCAN's operations are currently not self-supporting, although we still disagree with the manner in which some overheads are allocated to PALCAN. It was also clear that the SCC fees for all PALCAN partners were approximately equal. CAEAL and the rest of the PALCAN partners have also agreed to a simplified fee model, a single fee per accredited laboratory with no user fees.

(2) The SCC setup a PALCAN Partners Advisory Council where all service delivery partners discussed ways to update and rejuvenate PALCAN. All PALCAN Partners were very supportive of this approach and the principles, roles and accountabilities of all PALCAN members in a rejuvenated PALCAN were agreed to. In addition, there was agreement on the additional committee responsibilities that were needed beyond the current mandate of SCC's TG Labs Committee.

(3) All PALCAN partners agreed on a new "process model" that would satisfy ISO/IEC 17011. The new model would give "technical control" of accreditation recommendations to the Partners (status quo for CAEAL but an improvement for other Partners), while SCC would hold responsibility for "process control" (status quo for other Partners, but a loss of control for CAEAL).

(4) ISO/IEC Guide 58 assessments of the Partner's programs would be restructured so that headquarters audits and observations of lab assessments would occur in alternate years. The number of observations would depend on the number of labs in the Partner program, and the Partners would participate in the ISO/IEC Guide 58 evaluations of each other. These measures would significantly reduce SCC program maintenance costs.

However, at the Partners meeting in November we were informed by SCC staff that the rejuvenation proposal, and particularly the question of the role of the Partners Council and TG Labs would have to be approved by the SCC's committee structure prior to implementation. After the meetings concluded in November, CAEAL believed it had agreement-in-principle with the SCC that the Partners Council would be responsible for policy, and that TG Labs and its technical responsibility would report to the Partners Council.

Rick Wilson and I met with Peter Clarke, Executive Director SCC, twice in December to communicate to the SCC how important acceptance of the PALCAN restructuring proposals were to the CAEAL membership and the future partnership. In particular, we made it clear that the three elements of the rejuvenated PALCAN Partnership program structure, process and fees, were tied together.

Unfortunately, we were advised in mid-January by Pat Paladino, Director, Conformity Assessment, that the SCC's committees, Advisory Committee on Conformity Assessment (ACCA) and TG Labs, had rejected the Partner's re-structuring proposal. Instead the SCC proposed that the PALCAN

Partners Council should become a subcommittee of TG Labs, referring all policy decisions back to TG Labs for final vote and approval. Rick Wilson was also asked by the SCC to be part of a committee made up of TG Labs and PALCAN to examine the viability of revising TG Labs' terms of reference.

What is particularly frustrating with the new proposed PALCAN structure is the equal voting status given to TG Labs members that are not part of the PALCAN Partnership. These members represent regulators and government bodies/agencies with no accountability to a group of member labs. Under the new structure proposed by the SCC these TG Labs members will hold equal voting status to CAEAL and the rest of the PALCAN Partners. **The CAEAL Board believes that this proposed structure is clearly unfair to all PALCAN Partners and potentially detrimental to our members.**

The current reality is that we do not believe that any of the gains made in previous negotiations will be captured in the new discussions. What is clear at this juncture is that the new direction proposed by the SCC will result in a significant reduction in the ability of Canada's environmental labs to control the direction and destiny of their accreditation program.

At the CAEAL Board meeting on January 30th, Pat Paladino of the SCC presented a new fee proposal. The SCC proposed *"that the fees remain unchanged for 2004/2005 in order to monitor the growth in the number of labs and finalize the Partner agreement with the Ontario Medical Association. Depending on the growth achieved (in the PALCAN program), the fees would be adjusted in 2005/2006 so that the SCC would move towards achieving full cost recovery."* The exact amount required per lab is difficult to determine at this time as cost recovery is affected by the number of labs in the program (economies of scale) and by inflation.

So, I am very disappointed to report that after eight months of negotiation and meetings we have not been able to resolve the core issue between the SCC and CAEAL, i.e., partnership structure, roles and accountabilities. As a result, the CAEAL Board decided on January 30th to pursue the following course:

(1) Until all PALCAN and TG Labs members/partners have agreed to any new direction, CAEAL will maintain the current structure under the SCC/CAEAL Partnership Agreement which is valid until January 1, 2005.

(2) Rick Wilson will not participate in any TG Labs discussions, as a simple restructuring of TG Labs will not allow the PALCAN partners to protect the interests of their members. In addition, his involvement in these discussions may be construed/portrayed by the SCC as CAEAL's acceptance of the change in PALCAN Partners status.

(3) A formal request was made to the SCC to provide the CAEAL Board, by March 15th, with an alternative PALCAN restructuring proposal capturing the four previously agreed upon points as noted above. This proposal would then be sent in April to CAEAL's membership for review, two months prior to the June AGM in Vancouver.

(4) Russ Calow and Rick Wilson will make themselves available to participate in any PALCAN meetings scheduled between now and March 15th.

We are hopeful that the SCC will take our concerns to heart and provide a new PALCAN structure that will allow CAEAL and all existing and future PALCAN Partners to protect the interests of their members. Unfortunately, our experience to date would suggest that this issue will not be resolved anytime soon. As always I will endeavor to keep the Membership informed and up-to-date.

I would once again encourage you to contact Rick Wilson, or myself with any questions and concerns. Rick's and my contact details are listed below:

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Thank you and I look forward to hearing from all of you in the future.

Russ Calow
President CAEAL