



**SRB Technologies (Canada) Inc.**

**Regulatory Compliance Inspection Report: Import and Export of Tritium**

**Report Number: NPECD-SRB-2016-09**

**CNSC e-Doc: 5078830**

**UNCLASSIFIED**

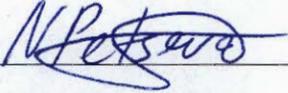
**September 2016**



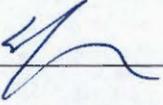
Canadian Nuclear  
Safety Commission

Commission canadienne  
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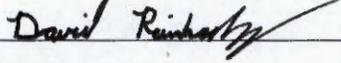
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Prepared by:  Date: Oct. 3, 2016

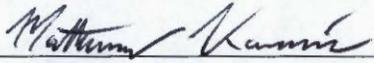
Nadia Petseva, Nuclear Non-proliferation Officer  
Non-Proliferation and Export Controls Division

 Date: Oct 3, 2016

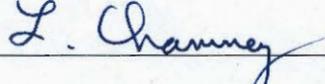
Elaine Kanasevich, Nuclear Non-proliferation Officer  
Non-Proliferation and Export Controls Division

 Date: Oct 3, 2016

David Reinholz, Nuclear Non-proliferation Officer  
Non-Proliferation and Export Controls Division

 Date: Oct. 3, 2016

Mathew Kavcic, Nuclear Non-proliferation Officer  
Non-Proliferation and Export Controls Division

Approved by:  Date: 3 October 2016

Larry Chamney, Director  
Non-Proliferation and Export Controls Division

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## 1.0 INTRODUCTION

CNSC staff conducted a regulatory compliance inspection of records pertaining to the import and export of controlled nuclear substances held by SRB Technologies (Canada) Inc. (hereinafter referred to as SRB) on September 8-9, 2016. The inspection was conducted at SRB's facility at 320-140 Boundary Road, Pembroke, Ontario.

The purpose of the inspection was to verify compliance with the authorizations and the licence terms and conditions of import and export licences issued to SRB pursuant to the *Nuclear Non-proliferation Import and Export Control Regulations* (NNIECR). The inspection also aimed to evaluate compliance by SRB with Section 26 of the *Nuclear Safety and Control Act* (NSCA). This was a follow-up inspection to the one conducted in December 2015 by the Nuclear Non-Proliferation and Export Controls Division (NPECD) of the CNSC.

The CNSC inspection team conducted reviews of import and export documents and procedures, and interviewed SRB's staff during the inspection.

This report provides CNSC staff's inspection observations, findings and associated action items.

## 2.0 PURPOSE, SCOPE AND CONDUCT OF INSPECTION

The purpose of the inspection was to verify compliance with import and export licence terms and conditions and to verify compliance by SRB with Section 26 of the NSCA, the NNIECR, import and export licences and the implementation of the corrective actions taken by SRB as a result of the Directives raised in inspection report NPECD-SRB-2015-11.

This included assessing compliance with the following Act and Regulations:

*Nuclear Safety and Control Act*  
*Nuclear Non-proliferation Import and Export Control Regulations*  
*General Nuclear Safety and Control Regulations*

Documents reviewed during the inspection included the following:

1. Import and Export Licences issued by the CNSC for the U.S, Australia, India, Korea, Germany, EU, China, and Israel;
2. Shipping Documents, such as bill of lading;
3. Customs Documents, such as B3/B13 forms or Canadian Automated Export Declaration (CAED) submitted to Canada Border Services Agency (CBSA); and
4. SRB's procedures for import and export of tritium.

The scope of the inspection included a review of records pertaining to imports and exports of controlled nuclear substances, specifically tritium, between August, 2013 and September, 2016.

### **3.0 OPENING MEETING**

During the opening meeting on September 8, 2016, CNSC staff introduced the inspection team members, presented the purpose and scope of the inspection, provided in Appendix B, and answered questions of clarification on the conduct of the inspection from SRB staff. A list of those who attended the opening meeting is provided in Appendix C.

### **4.0 OBSERVATIONS**

#### **4.1 Imports**

- 4.1.1** CNSC staff reviewed import records associated with import licences IL-A1-5200.1/2020 and IL-A1-5194.0/2020. SRB's documents related to these import licences were well maintained and easily accessible.
- 4.1.2** CNSC staff observed that the imports that occurred under licences IL-A1-5200.1/2020 and IL-A1-5194.0/2020 were undertaken in compliance with the terms and conditions of these licences with the exception of presenting the licences to a customs officer upon importation.
- 4.1.3** SRB informed CNSC staff that they do not present their import licences to customs officers upon importation, but they do keep the licences on file with the shipping documents, in case CBSA requests the licences. SRB explained that the reason for not presenting the licence upon importation is that SRB customers fill in the import documentation and not SRB themselves.

#### **4.2 Exports**

- 4.2.1** CNSC staff reviewed export records associated with export licences EL-A1-23177.3/2016; EL-A1-23178.2/2016; EL-A1-23183.4/2020; EL-A1-23690.0/2016; EL-A1-23174.1/2020; EL-A1-22172.9/2015; EL-A1-23170.0/2020; and EL-A1-22170.2/2015. SRB's documents related to these export licences were well maintained and easily accessible.
- 4.2.2** CNSC staff observed that as per SRB's revised procedure related to import and export licensing, "Document #SHP-011", dated April 15, 2016, SRB has been providing their newly developed "International Customer End-Use Statement form" (SHP-011-F-01) to the purchasing customer to complete and provide

information on the final end-use and confirm if the items will be retransferred. After receiving and analysing the complete form, SRB decides if they will complete the order.

- 4.2.3** CNSC staff's review of SRB's shipping export documents did not reveal any retransfers to non-NPT States.
- 4.2.4** At the time of the inspection, SRB was unable to confirm the addresses of two companies to which SRB's distributor in the Netherlands had retransferred tritium signs. SRB made these exports under export licence EL-A1- 22172.9/2015. During the inspection SRB requested this information from their distributor and submitted it to CNSC staff on September 12, 2016 in a follow-up email (CNSC e-doc: 5080059). The information revealed that the signs were not retransferred to non-NPT States.
- 4.2.5** CNSC staff observed some entry errors in the figures identified in reports submitted to or prepared for submission to CNSC (e.g.: export licence log for licence EL-A1- 23178.2/2016; report submitted to CNSC under licence EL-A1- 23174.1/2020). The entry errors were not significant and did not cause SRB to exceed the authorized quantities on the above mentioned licences.
- 4.2.6** CNSC staff observed that on a few instances (e.g. shipment made under licence EL-A1- 23174.1/2020) the CNSC export licence was not identified on the Canadian Automated Export Declaration.

## **5.0 FINDINGS**

- 5.1** With respect to observations 4.1.2 and 4.1.3, CNSC staff found that SRB was non-compliant with section 18 of the *General Nuclear Safety and Control Regulations* (GNSCR), as they did not present the import licences mentioned in observations 4.1.2 and 4.1.3 to a customs officer upon importation.

## **6.0 ACTION ITEMS**

The following Action item is identified as a result of the finding of this inspection. The definitions of the action terms are provided in Appendix A.

### **Directive 1:**

**D1-SRB-2016-09-** *SRB shall present the required CNSC import licences to a customs officer upon importation. SRB shall also revise their procedure related to import and export licensing, Document #SHP-011, dated April 15, 2016 to address the steps taken to assure compliance with section 18 of the GNSCR. The*

*revised procedure should be submitted to CNSC staff no later than October 24, 2016.*

## **7.0 EXIT MEETING**

A closing meeting for this inspection was held on September 9, 2016. The preliminary observations and findings were discussed with SRB staff. SRB's President and the lead CNSC inspector signed the preliminary findings report which is provided in Appendix D.

## **8.0 CONCLUSIONS**

CNSC staff concludes that, apart from the finding identified in section 5.0, SRB was found to be compliant with export and import licensing requirements pursuant to the *Nuclear Non-proliferation Import and Export Control Regulations*.

## **APPENDIX A: DEFINITION OF ENFORCEMENT ACTION TERMS**

### **Directive**

A written request that the licensee or a person subject to enforcement action take action to correct:

- a non-compliance with the NSCA, the applicable regulations, licence conditions, codes, standards, or
- a general or sustained failure to adhere to approved documents, policies, procedures, instructions, programs, or processes that the licensee has established to meet licensing requirements.

### **Action Notice**

A written request that the licensee or a person subject to enforcement action take action to correct a non-compliance that is not a direct contravention of the NSCA, the applicable regulations, licence conditions, codes or standards, but that can compromise safety, security, or the environment and that may lead to a direct non-compliance if not corrected.

Such non-compliances include:

- a failure to satisfy one of the compliance criteria if the criteria are not directly referenced in the applicable regulations or licence conditions.
- a significant but non-systemic failure to comply with the licensee's own policies, procedures, or instructions that have been established to meet licensing requirements (including programs and internal processes submitted in support of a licence application)

### **Recommendation**

A written suggestion to effect an improvement based on good industry practice.

A recommendation is not:

- an indication of non-compliance with regulatory requirements,
- subject to enforcement action,
- to be issued as a means of suggesting improvements to the licensee's programs outside the mandate of the CNSC.

Recommendations are not required to be implemented.

**APPENDIX B: INSPECTION NOTIFICATION/AGENDA**

(E-Doc: [5026351](#))



Canadian Nuclear  
Safety Commission

Commission canadienne  
de sûreté nucléaire



Directorate of Security and Safeguards

August 18, 2016

e-Doc#: 5026351

Mr. Stephane Levesque  
SRB Technologies (Canada) Inc.  
320-140 Boundary Road  
Pembroke, Ontario K8A 6W5

**Subject:** **Regulatory Compliance Inspection of Records Pertaining to the Import and Export of Controlled Nuclear Substances Pursuant to the *Nuclear Non-proliferation Import and Export Control Regulations***

**Inspection No.:** **NPECD-SRB-2016-09**

Dear Mr. Levesque,

This letter is to confirm that Canadian Nuclear Safety Commission (CNSC) staff from the Non-Proliferation and Export Controls Division (NPECD) will conduct a compliance inspection of records pertaining to the import and export of controlled nuclear substances pursuant to the *Nuclear Non-proliferation Import and Export Control Regulations* (NNIECR). This is a follow-up inspection to the one conducted in December 2015.

The objective of the inspection is to verify compliance by SRB Technologies (Canada) Inc. (SRB) with Section 26 of the *Nuclear Safety and Control Act* (NSCA), the NNIECR, import and export licences and the implementation of the corrective actions taken by SRB as a result of the Directives raised in inspection report NPECD-SRB-2015-11.

Documents to be reviewed during this inspection may include but are not limited to the following:

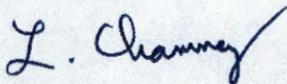
1. Import and Export Licences issued by CNSC
2. Shipping Documents, such as bill of lading
3. Customs Documents, such as B3/B13 forms or Canadian Automated Export Declaration (CAED) submitted to Canada Border Services Agency (CBSA)
4. Tritium inventory records
5. SRB's procedures for import/ export of tritium, and
6. SRB's procedures for training staff on the implementation of these procedures.

The inspection team will be comprised of Ms. Nadia Petseva, Ms. Elaine Kanasewich, Mr. David Reinholz and Mr. Matthew Kavcic, of NPECD. The inspection team will require access to SRB's records identified above, as well as to SRB's staff familiar with the import and export of controlled nuclear substances. I would also appreciate it if you could provide an appropriate workspace for the inspection team during the conduct of the inspection.

I understand that you are amenable to us conducting the inspection on September 8-9, 2016, and I thank you for your cooperation.

Should you have any questions, please contact Ms. Nadia Petseva (Email: [nadia.petseva@canada.ca](mailto:nadia.petseva@canada.ca); Tel: (613) 995-0477).

Yours sincerely,



Larry Chamney  
Director  
Non-Proliferation and Export Controls Division

c.c.: N. Petseva, CNSC  
E. Kanasewich, CNSC  
D. Reinholz, CNSC  
M. Kavcic, CNSC  
K. Murthy, CNSC  
S. Pleau, SRB  
J. MacDonald, SRB

**Schedule for Compliance Inspection of Import and Export of Controlled Nuclear Substances  
pursuant to the *Nuclear Non-proliferation Import and Export Controls Regulations***

**Facility:** SRB Technologies (Canada) Inc.

**Date:** September 8-9, 2016

**Inspection #:** NPECD-SRB-2016-09

**Location:** SRB Technologies (Canada) Inc.  
320-140 Boundary Road  
Pembroke, Ontario, K8A 6W5

**Day 1**

09:30-10:00      Opening meeting

10:00-12:00      Review of documents for imports and exports of controlled nuclear substances

12:00-13:00      Lunch

13:00-16:00      Continued review of documents, procedures and staff interviews

16:00-16:15      End of day review meeting, if required.

**Day 2**

08:30-10:00      Continued review of documents, procedures and staff interviews

10:00-11:30      CNSC inspection team meeting (draft preliminary findings report and prepare for close-out meeting)

11:30-12:00      Close-out meeting

**APPENDIX C: OPENING AND EXIT MEETING ATTENDANCE LIST**

(E-Doc: [5079092](#))





**APPENDIX D: PRELIMINARY SUMMARY OF FINDINGS REPORT**

(E-Doc: [5077632](#))

**\*\*\*IMPORTANT NOTE\*\*\***

*The findings presented in this report are PRELIMINARY in nature, and are provided in line with the CNSC 'No-Surprises' inspection approach. No action is required of the licensee until compliance and/or enforcement actions are communicated, typically in the form of a formal inspection report.*

Licensee:	SRB Technologies
Inspection Identification Number:	NPECD-SRB-2016-09
Inspection Dates:	September 8-9, 2016
Lead Inspector:	Nadia Petseva

### Description of Preliminary Inspection Findings

**Observations:**

- SRB records were well maintained and easily accessible
- SRB staff were very cooperative and well versed on their responsibilities related to requirements for the import and export of controlled nuclear substances
- CNSC staff observed that SRB has implemented their revised procedures related to import and export licensing
- SRB was compliant with the regulatory requirements governing exports
- CNSC staff has requested further information with regards to retransfers made under licence 22172. This information will be submitted to the CNSC shortly
- The review of documents by CNSC staff did not reveal any retransfers to any non-NPT states
- SRB was compliant with regulatory requirements governing imports, with the exception of presenting a licence to a customs officer upon importation
- CNSC staff observed some entry errors in the figures identified in reports submitted to or prepared for submission to the CNSC
- CNSC staff observed that in a few instances, the CNSC export licence number was not identified on the CAED

Lead Inspector Signature:



Sept. 9, 2016



Licensee Representative (Print): STEPHANE LEVESQUE

Licensee Representative (Signature): 

Date: SEPTEMBER 9/2016

*Note: Licensee representative is requested to sign this preliminary report only as acknowledgement of receipt. No action is required by the licensee until formal compliance or enforcement actions have been issued.*

