

# **CHECK AGAINST DELIVERY**

June 11, 2009

## **Opening Remarks**

### **To the Standing Committee on Natural Resources**

#### **“Study of the Atomic Energy Canada Limited Facility at Chalk River and the Status of the Production of Medical Isotopes”**

Good afternoon, my name is Steve West, President of MDS Nordion. Accompanying me is Jill Chitra, Vice-President Strategic Technologies and John Campion, Counsel to MDS Nordion.

Today, the world’s medical isotope supply relies on old and unpredictable reactors. The medical community lives on a knife-edge everyday and will continue to do so until we resolve this issue.

The reason for the current supply shortage is Atomic Energy of Canada Ltd.’s (AECL) decision to cancel the MAPLE project. Had the MAPLE project been completed, as originally planned in 2000, Canada would not be in this predicament today.

The MAPLE reactors were designed to fully supply the world demand of the nuclear medicine community and the patients they serve. While there are other reactors in the world, none of them alone or together can meet the world’s needs reliably.

The MAPLEs are state-of-the-art reactors. Their sole purpose is to produce medical isotopes. The MAPLE reactors are complete and await final commissioning. The MAPLEs have created isotopes. The MAPLEs can be and should be brought into full service. We recognize that this requires external expertise and we are urging the Government to reconsider its decision to stop the MAPLE project.

The MAPLE project is Canada’s opportunity for medical leadership and scientific innovation. The cancellation of the MAPLE project is a detrimental loss to Canada.

The Government of Canada agreed with AECL’s decision to abandon the MAPLEs. It was not a reasonable public policy for Canada or for the world. It was the wrong decision:

- It was wrong for global long-term supply of medical isotopes
- It was wrong for the patients who rely on this vital product for the treatment of cancer and heart disease
- It was wrong for the future of scientific innovation in Canada.

It was a mistake in public policy.

Now, I would like to emphasize four key points:

1. The role of MDS Nordion in the nuclear medicine industry
2. MDS Nordion's view of the current medical isotope supply shortage
3. MDS Nordion's commitment to isotope supply in the short-term and the long-term
4. The impact of the supply issue on Canada's world leadership role in the future of nuclear medicine and healthcare.

**Let me begin with my first point, the role of MDS Nordion in the nuclear medicine industry.**

MDS Nordion is an Ottawa-based life sciences company with more than 600 highly skilled employees at locations in Ottawa, Laval, Vancouver and Belgium.

MDS Nordion is a business unit of MDS Inc., a Canadian global life sciences company, headquartered in Ontario, that provides products and services for drug discovery and development. In 2008, MDS undertook \$156 million of Research and Development (R&D) in Canada.

Innovation is critical to our success. Over the past 2 years, MDS Nordion has attracted more than \$20 million in R&D to Ottawa and Canada through its various collaborations.

The National Research Universal (NRU) reactor shutdown is having a significant impact on medical isotope production and MDS Nordion's ability to supply medical isotopes to the nuclear medicine community.

This shutdown is also having a negative impact on MDS Nordion's and Canada's reputation as the world leaders in isotope supply.

**My second point addresses MDS Nordion's view of the current medical isotope supply shortage.**

The current shortage of medical isotopes arose when AECL announced on May 18, 2009 that its NRU reactor would be out of service for more than one month. As it now stands, more than 3 months.

The NRU is one of five reactors in the world capable of producing large quantities of medical isotopes. The second largest producer is the Petten reactor in the Netherlands, which accounts for 30% of the world's supply. It was also shutdown recently due to a water leak.

It has been announced that the Petten reactor will be shutdown for five to six months early next year to repair the leak. This reinforces my earlier point, that the current reactors are old and unreliable.

Given these facts, how could you not re-activate the MAPLE project? It is the only prudent decision to provide secure supply for the medical community. Why would you not re-start the MAPLEs for the well-being of patients worldwide?

**My third point addresses MDS Nordion's commitment to stable medical isotope supply, short-term and long-term.**

In the **mid 1990s**, MDS Nordion recognized the serious nature of the aging global reactor infrastructure, and contracted with AECL to construct and bring into service two nuclear reactors and a processing facility. This agreement came to be known as the MAPLE project and was intended to secure a long-term supply of medical isotopes.

Originally slated to be operational in 2000, AECL agreed to build the MAPLEs for \$145 million – to be fully paid by MDS Nordion at no cost to the tax payer.

The MAPLE reactors were intended to replace the NRU.

On May 16, 2008, AECL and the Government of Canada unilaterally announced that the MAPLE project would be discontinued. They did so without providing **a long-term plan** for the supply of medical isotopes beyond an intent to extend the license of the NRU reactor to 2016. This strategy clearly does not work. It abdicates Canada's current leadership position and creates a vacuum.

MDS has invested \$350 million in the MAPLE project. MDS has filed a court claim against AECL and the Government of Canada to bring the MAPLE facilities into service.

The solution to the global medical isotope supply crisis is here in Canada. Both MAPLE 1 and MAPLE 2 and the processing facility are 100% constructed. The MAPLE reactors worked and have achieved important milestones, including the creation of isotopes.

It is inaccurate to suggest that the MAPLE reactors did not work. A number of international experts have publicly said that the MAPLE Project could be completed and be brought into full service.

We believe with the assistance of nuclear experts the MAPLE facilities could be producing medical isotopes for the benefit of patients worldwide.

Despite requests, it is worth noting that the Government of Canada has chosen not to include MDS Nordion in their discussions and working groups on solutions to resolve this medical isotope crisis. With over 60 years experience in the medical isotope industry, MDS Nordion is well positioned to add value to these discussions.

**My fourth and final point addresses the impact of the reactor crisis on Canada's leadership role in the future.**

Canada has been a leader in isotope production and has fostered an innovative industry that creates high-value Canadian jobs. As Canada strives to maintain a leadership position in Science and Technology, it is critical that we focus not only on the requirements of today but also on the advancement of nuclear medicine for tomorrow.

Medical isotopes are the foundation to advance research for improved drug discovery and development. They are our pathway to personalized medicine – enabling healthcare professionals to improve lives through targeted imaging and targeted therapy thereby providing medical diagnosis and treatment specific to an individual.

To further advance healthcare technology for Canadians, we need new medical isotope production capacity.

Secure, long-term isotope supply assurance has been and continues to be a fundamental requirement for the global nuclear medicine community, the patients they serve and the future of innovation in healthcare.

Let me repeat, the solution is here in Canada. The solution is clear. The solution is MAPLE. We urge the Government to change public policy and re-start the MAPLE project.

Thank you.