

# Tracking Federal Regulatory Initiatives

# Regulatory Affairs

VOL. 4, No. 13

April 29, 1998

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<b>for Pre-Publication in Part I, Canada Gazette</b>	

**Food and Drug Regulations, amendment**

The proposed amendment would amend Division 13 of Part B to establish an allowable range for the addition of calcium to corn meal.

In the interim, the Health Department has published an Interim Marketing Authorization to permit the above while the regulations are amended.

This proposal complements the publication, on November 27, 1997, of an earlier Interim Marketing Authorization that permitted the optional addition of vitamins and mineral nutrients to corn meal at levels which are the same as those of the United States.

The proposal also establishes the levels of riboflavin, niacin, folic acid and iron which must be added to corn meal for it to be represented as “enriched”.

Contact: J.Z. Losos, Assistant Deputy Minister, Health Protection Branch, Health Canada, Tunney’s Pasture, Ottawa, Ontario, K1A 0L2. Tel: 613-957-1804; Fax: 613-957-3954.

*Food and Drugs Act*

Prepublished in Canada Gazette April 25, 1998

## Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

### Food and Drug Regulations, amendment

The proposed amendment would permit the optional addition of folic acid to fluid or dried whole, skimmed or partly skimmed goat's milk to a minimum level of 5 micrograms and a maximum level of 10 micrograms folate per 100 mL goat's milk when ready-to-serve.

In the interim, the Health Department has published an Interim Marketing Authorization to permit the above while the regulations are amended.

Contact: J.Z. Losos, Assistant Deputy Minister, Health Protection Branch, Health Canada, Tunney's Pasture, Ottawa, Ontario, K1A 0L2. Tel: 613-957-1804; Fax: 613-957-3954.

*Food and Drugs Act*

Prepublished in Canada Gazette April 25, 1998

### St. Lawrence Seaway Tariff of Tolls

The proposal would establish tolls which would apply to every vessel entering, passing through or leaving the St. Lawrence Seaway, with a proposed effective date of June 1, 1998.

The proposed toll would be assessed against the vessel, its cargo and its passengers for complete or partial transit of the Seaway covering a single trip in one direction. The tolls would be due 45 days after the day on which the vessel enters the first lock of a transit of the Seaway.

The proposal also sets out operational surcharges to be paid for vessels that report for final transit of the Seaway after the established clearance date, as well as incremental expenses incurred by the Seaway Authority to keep the Seaway open for transit of a vessel after the clearance date.

As an example, the charge per gross registered ton of the vessel from Montreal to and from Lake Ontario would be \$0.0816 and from Welland Canada, Lake Ontario to and from Lake Erie would be \$0.1326; the charge per metric ton of cargo would be \$0.8466 from Montreal and \$0.5610 from Welland Canal for bulk cargo and containerized cargo, \$2.0400 and \$0.8976 respectively for general cargo, \$1.8462 and \$0.6426 respectively for steel slab.

The charge per passenger per lock would be \$1.2036.

In addition to commercial tolls, the proposal also establishes the minimum charge per vessel per lock for pleasure craft (at \$10) and for vessels other than pleasure craft (\$15).

Contact: Norman B. Willans, Counsel, The St. Lawrence Seaway Authority, Place de Ville, Tower B, 112 Kent Street, Suite 500, Ottawa, Ontario, K1P 5P2. Tel: 613-598-4605; Fax: 613-598-4620.

*St. Lawrence Seaway Authority Act*, subsection 16(1)

Prepublished in Canada Gazette April 25, 1998

## Exempt from Pre-Publication and Approved

Statutory Authority

### Alberta Fishery Regulations, 1998 (SOR/98-246, OIC 1998-625)

These amendments reflect the coming into force of provincial fisheries legislation in Alberta ("*Fisheries (Alberta) Act*") and that province's desire to rely to a greater extent on variation orders as a regulatory instrument.

The *Fisheries (Alberta) Act* sets out provisions related to fish marketing, licencing, health and enforcement with respect to that province. Provisions related to the same matters are being removed from the current federal regulations.

*Fisheries Act*, section 43 and subsection 79.7(5)

To be published in Canada Gazette May 13, 1998

## Exempt from Pre-Publication and Approved

Statutory Authority

The content of the regulations has been further reduced by removing much of the detail contained in the various schedules, including adjustments to:

- the schedule of waters closed to all fishing;
- the schedules of sportfishing quotas and sportfishing-size limits;
- the schedule of commercial bait fishing seasons;
- the schedule for commercial fishing seasons;
- the schedule of waters in which the use of bait and bait fish is restricted or prohibited;
- the schedule of waters in which barbless hooks only are permitted;
- the schedule for Fish Management Area (FMA) Boundaries;
- the schedule for Trophy Waters;
- the schedule for prescribed offences and fines; and
- the schedule for licences and fees.

Minor amendments have been made to various other provisions to reflect current practices and enforcement concerns in the industry. For example, the definitions and prohibitions related to the taking, handling and releasing of fish have been adjusted to better restrict the unethical practice of fish snagging and to increase the survival of released fish.

Contact: Pat Dunford, Alberta Environmental Protection, Natural Resources Service, Petroleum Plaza, North Tower, 9945 - 108 Street, Edmonton, Alberta, T5K 2G6. Tel: 403-427-4277; Fax: 403-422-9560.

### **Manitoba Fishery Regulations, 1987 (SOR/98-247, OIC 1998-626)**

These amendments, which reflect the enactment of provincial fisheries legislation in Manitoba, namely, the *Fisheries Act (Manitoba)* and the *Provincial Fisheries Amendment Act*, allow the transfer of federal regulations, such as those dealing with licencing, the allocation of licences, licence fees, safety and stock enhancement, from the *Manitoba Fishery Regulations, 1987* to the provincial regulations.

Authority for fish habitat protection, Treaty Indian fishing, fishing within Federal Parks, and close times and quotas relating to conservation and preservation of fish remains under federal jurisdiction.

Other amendments have been made to various provisions to reflect current practices and enforcement concerns in the industry. Other changes include the substitution of the word "sport" with "recreational" and the addition of new definitions and administrative adjustments with the removal of licensing regulations.

Contact: Sherman Fraser, Manitoba Department of Natural Resources, Box 20, 200 Saulteaux Crescent, Winnipeg, Manitoba, R3J 3W3. Tel: 204-945-7806.

### **Income Tax Regulations, amendment (Part XLIX) (SOR/98-250, OIC 1998-629)**

These amendments expand the list, in Part XLIX, of qualified investments for a plan trust by adding a bond, debenture, note or similar obligation issued by a mutual fund trust the units of which are listed on a stock exchange referred to in section 3200 of the Regulations, and rights to a share of the capital stock of a corporation where those rights are evidenced by a depository receipt listed on a stock exchange referred to in section 3200 or 3201 of these Regulations.

Part XLIX lists a number of qualified investments for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans.

*Fisheries Act*, section 43  
and subsection 79.7(5)

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*Income Tax Act*, section  
221

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# Exempt from Pre-Publication and Approved

## Statutory Authority

The amendments are effective from January 1, 1997, as a number of investments of this nature have been made on the basis that the amendments would come into effect from that date.

Contact: Simon Thompson, Tax Legislation Division, Department of Finance, L'Esplanade Laurier, 140 O'Connor Street, Ottawa, Ontario, K1A 0G5. Tel: 613-992-0049.

### **Order Amending the Schedule to the Customs Tariff, 1998-1 (SOR/98-251, OIC 1998-630)**

*Customs Tariff*, section 82

The Order introduces a number of tariff reductions on imported manufacturing inputs. It also clarifies the intended coverage of tariff item No. 4421.90.10 covering certain wood mouldings.

To be published in Canada Gazette May 13, 1998

An estimated \$574,000 in revenue is foregone as a result of this Order, which comes into effect April 24, 1998

Contact: Brian Roos, International Trade Policy Division, Department of Finance, Ottawa, Ontario K1A 0G5. Tel: 613-996-5538.

### **National Parks General Regulations, amendment (SOR/98-252, OIC 1998-631)**

*National Parks Act*, sub-section 7(1)

This initiative revokes a number of outdated provisions in the Regulations.

The revocations include:

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- Section 9, which requires operators of certain types of businesses in the national parks to submit the maximum rates charged for use of their services for approval by the Minister. The provision has not been exercised in a number of years as market forces are sufficient to control the fee levels charged by operators of such facilities.
- Section 18 of the Regulations applies to water permits for residences or businesses which are not serviced by a park waterworks system and draw water from a park waterbody. It is necessary to maintain the permit-issuing requirement of section 18 for environmental protection purposes; however, the fee for the permit is being revoked. The fees for water permits would be reviewed, updated and set out within Parks Canada's fee-setting process which applies to unregulated fees.
- Section 40 of the Regulations sets out a \$5 fee for the issue and preparation of a lease, licence of occupation or consent to transfer under the *National Parks Lease and Licence of Occupation Regulations*. It is being revoked to allow for setting realty transaction fees outside of the realm of regulations.
- Section 41 of the Regulations sets out an interest rate of one percent per month compounded monthly for overdue balances owed to the Crown. This rate is applied to any moneys (e.g. rents, water and sewer fees) that businesses, residents or visitors owe to park administrations for goods or services provided. Upon revocation, provisions of the *Financial Administration Act* (FAA) will apply. The FAA rate is lower (4 percent over prime). The FAA will also allow park administrations to apply an interest rate formula for overdue accounts.

The amendments come into effect April 23, 1998.

Contact: Gerard Doré, Chief, Legislative and Regulatory Affairs, National Parks, Parks Canada, 4th Floor, 25 Eddy Street Hull, Quebec, K1A 0M5. Tel: 819-953-7831; Fax: 819-994-5140.

## Exempt from Pre-Publication and Approved

### Statutory Authority

#### **Contraventions Regulations, amendment (SOR/98-253, OIC 1998-648); Contraventions Regulations, amendment (SOR/98-254, OIC 1998-649); Contraventions Regulations, amendment (SOR/98-255, OIC 1998-650)**

These amendments adds a large number of new contraventions, providing a simplified alternatives to Criminal Code prosecutions for federal offences; it also amends a number of existing contraventions.

More specifically:

- SOR/98-253 adds approximately two hundred and twenty-five new contraventions from, for example, the *National Defence Act*, the *Radiocommunication Act* and the *Non-smokers' Health Act*;
- SOR/98-254 adds approximately one hundred and forty-two new contraventions from, for example, the *Canada Shipping Act*, the *Commercial Vehicle Drivers Hours of Service Regulations* and the *Navigable Waters Protection Act*; and
- SOR/98-255 amends twenty-nine existing contraventions from the *Boating Restriction Regulations*, the *Historic Canals Regulations* and the *National Parks General Regulations*.

The amendments come into effect April 23, 1998.

Contact: Michel Gagnon, Director, Contraventions Project, Department of Justice, 284 Wellington, Ottawa, Ontario, K1A 0H8: Tel: 613-998-5669; Fax: 613-998-1175.

*National Parks Act*, subsection 7(1)

To be published in Canada Gazette May 13, 1998

#### **Order Designating the Province of New Brunswick for the Purposes of the Definition “applicable guidelines” in subsection 2(1) of the Divorce Act (SOR/98-256, OIC 1998-651)**

The Order designates the Province of New Brunswick for the purposes of the definition “applicable guidelines” in subsection 2(1) of the *Divorce Act*.

For the purposes of subsection 2(5), the laws that constitute the comprehensive guidelines for the Province of New Brunswick are sections 1 to 3 of the *Child Support Guidelines Regulation - Family Services Act*, N.B. Reg. 98-27.

The New Brunswick Regulations adopt the *Federal Child Support Guidelines* except for the following:

- A spouse who receives a request to provide income information must provide the documents within 20 days as opposed to 30 days in the Federal Guidelines.
- The Child Support Guidelines Regulation - Family Services Act allow both spouses to consent to file with the court only one year of income information required under the Federal Guidelines.

This Order comes into force on May 1, 1998. The New Brunswick Child Support Guidelines Regulation will apply to all child support orders made where both parents reside in New Brunswick as of May 1, 1998.

Contact: Lise Lafrenière Henrie, Counsel, Coordinator, Policy Development, Child Support Team, Department of Justice, 284 Wellington, Ottawa, Ontario, K1A 0H8: Tel: 613-957-0059; Fax: 613-952-9600.

*Divorce Act*, subsection 2(5)

To be published in Canada Gazette May 13, 1998

#### **Shur-Co Canada Ltd. Remission Order (SOR/98-257, OIC 1998-652)**

This order remits \$4,242.43 in customs duties to Shur-Co Canada Ltd. (Shur-Co), an importer and distributor of roll tarps for grain trucks, wagons, and carts.

Until September 1996, Shur-Co paid duty at the Most-Favoured-Nation Tariff (MFNT) rate of 12.5% on roll tarps imported from the United States. The company then discovered that the roll tarps it had imported were entitled to the preferential United States Tariff (UST) duty rate of 4.9%.

*Customs Tariff*, section 115

To be published in Canada Gazette May 13, 1998

## Exempt from Pre-Publication and Approved

### Statutory Authority

The company consulted Canada Customs to determine how to process its claims for a refund of duties, and was advised erroneously that they had up to two years from the time the goods were accounted for to file its refund claims. When Shur-Co, filed their claims for a refund in late November 1996, Customs rejected many of the refund requests since they were beyond the one-year statutory time limit for the filing of claims for preferential UST treatment.

This remission compensates Shur-Co for the amount of duties that would otherwise have been refunded.

Contact: Catharine Tait, Secretary, Interdepartmental Remission Committee, National Revenue, 6th Floor, Connaught Building, 555 MacKenzie Avenue, Ottawa, Ontario, K1A 0L5. Tel: 613-952-7915.

### **Canada Pension Plan Regulations (1998 tables) (SOR/98-258, OIC 1998-653)**

The amendments set out both the year's maximum CPP contribution for 1998, which is \$1,068.80 due to the increase in the contribution rate from 3% to 3.2% for 1998; it also sets out the increase in the year's maximum pensionable earnings from \$35,800 to \$36,900.

The amounts in Schedule I to the Regulations are also revised to reflect the 1998 increases in the contribution rate to 3.2% and in the year's maximum pensionable earnings to \$36,900. The amendments make a technical change to subsection 8.1(1) of the Regulations to harmonize the wording with the same provision that appears in the *Insurable Earnings and Collection of Premiums Regulations*.

The changes are deemed to have come into force on January 1, 1998.

Contact: Richard Montroy, Legislative Policy Division, 123 Slater Street, Ottawa, Ontario, K1A 0L5. Tel: 613-952-6479.

### **Income Tax Regulations, amendment (Part I) (SOR/98-259, OIC 1998-654)**

These amendments provide that income tax withholdings will now be required on gratuities declared by an employee to an employer pursuant to a provincial statute.

The change is a result of the province of Quebec's new initiative which will require certain employees to declare their gratuities to their employer.

As a consequence of this amendment, the amount on which source deductions are calculated will be increased by the declared amount of gratuities.

Contact: Richard Montroy, Legislative Policy Division, 123 Slater Street, Ottawa, Ontario, K1A 0L5. Tel: 613-952-6479.

### **Royal Canadian Mounted Police Canadian Police College Fees Regulations, repeal (SOR/98-260, OIC 1998-666)**

The amendment repeals the regulations so that the RCMP can set fees for cost-recovering Canadian Police College services by way of contracting authority.

The change will provide the RCMP with more flexibility to extend or change courses without prior approval of Treasury Board.

The changes come into force on April 23, 1998.

Contact: C/Supt. J.P.R. Goulet, Director, Canadian Police College, Royal Canadian Mounted Police, Tel: 613-998-0882. Sgt Robert Thompson, i/c Administrative Services, Canadian Police College, Royal Canadian Mounted Police. Tel: 613-998-5337.

*Canada Pension Plan*, subsection 21(1) and section 40

To be published in Canada Gazette May 13, 1998

*Income Tax Act*, section 221

To be published in Canada Gazette May 13, 1998

*Financial Administration Act*, paragraph 19(1)(a)

To be published in Canada Gazette May 13, 1998

## Exempt from Pre-Publication and Approved

### Statutory Authority

#### **Government Employees Land Acquisition Order (SOR/98-261, OIC 1998-672)**

*Territorial Lands Act,*  
paragraph 29(1)(a)

This Order grants authority to acquire interests in territorial lands located in the Northwest Territories to the following three employees:

To be published in Canada Gazette May 13, 1998

- Raymond Wayne Halwas, a member of the Royal Canadian Mounted Police, to acquire by assignment from the current lessee the whole of Lot 1015 in Quad 85 J/9, Prelude Lake;
- Linda Christine Zachariassen, an employee of the Department of National Revenue, to acquire by assignment from the current lessee the whole of Lot 1063 in Quad 85 I/12, Prelude Lake; and
- Stephen William Deschene, an employee of the Department of Indian Affairs and Northern Development, to lease, for a hunting and fishing cabin, the whole of a parcel of land situated on the northerly shore of Twentyfive Mile Lake in Quad 96 E/3.

The changes come into force on April 23, 1998.

Contact: Chris Cuddy Chief, Land and Water Management Division, Department of Indian Affairs and Northern Development, Les Terrasses de la Chaudière, 10 Wellington Street, Ottawa, Ontario K1A 0H4. Tel: 819-994-7483.

#### **Royal Canadian Mounted Police Regulations, 1988 (Miscellaneous Program) (SOR/98-262, OIC 1998-677)**

*Royal Canadian Mounted Police Act,* subsection 21(1)

These housekeeping amendments make the terminology in the Regulations consistent with new terms reflecting reorganization in the Force at the central and divisional levels.

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The amendments to section 60 are housekeeping issues which address an inadvertent omission by confirming past practice in regards to reinstatement.

The amendments affect sections 5 and 6, subsections 27(6) and (7), paragraphs 35(b) and 46(3)(c), subsections 60(1) and (4). Subsection 96(3) is repealed.

The changes come into force on April 23, 1998.

Contact: Jacques Courteau, Officer in charge - Special Advisory Section, Regulatory Coordinator, Internal Affairs Branch, Royal Canadian Mounted Police. Tel: 613-993-4249; Fax: 613-952-0618.

#### **Canadian Wheat Board Regulations (SOR/98-263, OIC 1998-687)**

*Canadian Wheat Board Act,* sections 32, 47 and 61; *Canadian Wheat Board Regulations,* section 9

The amendment establishes a higher initial payment for the base grades of wheat (an increase of \$12 per metric tonne), amber durum wheat (an increase of \$10 per metric tonne) and designated barley (an increase of \$5 per metric tonne) for the 1997-98 crop year. The changes come into force on April 28, 1998.

To be published in Canada Gazette May 13, 1998

Contact: Craig Fulton, Commerce Officer, Grains and Oilseeds Division, International Markets Bureau, Market and Industry Services Branch, Agriculture and Agri-Food Canada, Sir John Carling Building, 930 Carling Avenue, Ottawa, Ontario, K1A 0C5. Tel: 613-759-7698; Fax: 613-759-7499.

## Pre-Published and Approved With comments or changes

### Statutory Authority & Regulatory Plan Listing

#### **Order Amending the Export Control List (SOR/98-248, OIC 1998-627); Order Amending the Import Control List (SOR/98-249, OIC 1998-628)**

These amendments to the *Export Control List* (ECL) and the *Import Control List* (ICL) supplement *The Toxic Chemicals and Precursors Declarations Regulations*, which are designed to monitor compliance with the *The Chemical Weapons Convention*, (“CWC”) the first global, verifiable arms control and disarmament agreement that bans an entire class of weaponry, entered into force on April 29, 1997.

Group 7 of the ECL is being amended to ensure that the three Schedules of chemicals and precursors identified in the CWC are controlled. In this regard, Items 7001 to 7006 are being added to the ECL and export permits will be required for their export to all destinations. Similar changes are being made to the ICL under Item 74.

The chemicals and precursors subject to export controls are identical to the three “Schedules” appended to the CWC, as follows:

- Schedule 1 (ECL Items 7001 and 7002) - Chemicals known to be chemical warfare agents and some of their key precursors;
- Schedule 2 (ECL Items 7003 and 7004) - Chemicals and compounds that are key precursors to chemical warfare but that have some commercial utility;
- Schedule 3 (ECL Items 7005 and 7006) - Chemicals that can be used for the production of chemical warfare agents, but that are produced in large quantities for commercial use.

Contact: Thomas E. Jones, Deputy Director (Technology), Export Controls Division, Export and Import Controls Bureau, Department of Foreign Affairs and International Trade, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2. Tel: 613-996-0197; Fax: 613-996-9933.

*Export and Import Act*, section 43 and subsection 79.7(5)

To be published in Canada Gazette May 13, 1998

## Ministerial Orders Approved

### Statutory Authority & Regulatory Plan Listing

#### **Canada Turkey Marketing Processors Levy Order (SOR/98-245)**

This Order imposes a levy of \$0.005 per kilogram live weight on processors on all turkey slaughtered for interprovincial or export trade for the period commencing July 1, 1998 and ending June 30, 2001.

*Farm Products Agencies Act*, paragraph 22(1)(f)

To be published in Canada Gazette April 29, 1998

#### **Order amending the fees proposed by Western Canada Marine Response Corporation, Great Lakes Response Corporation of Canada, Eastern Response Corporation Ltd., Atlantic Emergency Response Team (ALERT) Inc., and Point Tupper Marine Services Ltd. (SI/98-56)**

This Order amends fees proposed by the oil spill response organizations (Western Canada Marine Response Corporation, Great Lakes Response Corporation of Canada, Eastern Response Corporation Ltd., Atlantic Emergency Response Team (ALERT) Inc., and Point Tupper Marine Services Ltd.), as originally published in the Canada Gazette, Part I on September 16, 1995.

*Canada Shipping Act*, subsection 660.4(8)

Exempt from publication

# Ministerial Orders Approved

Statutory Authority  
&  
Regulatory Plan Listing

The bulk oil cargo fee is as follows: for the Western Canada Marine Response Corporation, \$0.941 per tonne (\$0.471 for asphalt); for the Great Lakes Response Corporation of Canada, \$1.368 per tonne (\$0.684 for asphalt); for Eastern Response Corporation Ltd., \$0.343 per tonne (\$0.171 for asphalt); for the Atlantic Emergency Response Team (ALERT) Inc., \$0.14 per tonne (\$0.07 for asphalt); and for Point Tupper Marine Services Ltd., \$0.225 per tonne (\$0.1125 for asphalt).

The Order also sets initiation fees (typically \$200) for entering into arrangements with the response organizations and annual registration fees (typically \$450)

The Order, while exempt from publication in the Canada Gazette Part II, is scheduled to be published in the Canada Gazette, Part I.

Contact: Teny Dikranian, Project Officer, Canadian Coast Guard, Department of Fisheries and Oceans, 344 Slater Street, Ottawa, Ontario, K1A 0N7. Tel: 613-993-1265.

## **National Energy Board Cost Recovery Regulations, amendment (SOR/98-267)**

*National Energy Board Act, section 24.1*

These amendments contain several significant changes to the cost recovery regime under the Regulations.

To be published in Canada Gazette May 13, 1998

More specifically, the amendments:

- require smaller pipeline companies, known as Group 2 companies, to file with the National Energy Board information prepared within the last two years showing the companies' cost of service, or an estimate of the current cost of service.
- create new categories known as small electricity exporters and border accommodation exporters. Persons within the small electricity exporter category are required to pay a yearly fee of \$500.00 while border accommodation exporters will pay a one time fee of \$500.00. Large electricity exporters will now pay a minimum charge of \$500.00 per annum.
- incorporate a rolling average methodology for the calculation of cost recovery charges applicable to large electricity exporters.
- make changes to the definitions in the Regulations in order to create categories of companies to ensure a more consistent application of these Regulations.

The aggregate costs of the Board are also lowered from 100% to 95% to reflect the fact that certain activities of the Board are not subject to cost recovery.

This regulation, prepublished in the Canada Gazette, Part I on December 27, 1997, come into force April 23, 1998.

Contact: John Hagan, Manager, Finance, Corporate Services Business Unit, National Energy Board, 311 6th Ave. S.W., Calgary, Alberta, T2P 3H2. Tel: 403-299-3918; Fax: 403-292-5503.

## **General Export Permit No. 37 - Toxic Chemicals and Precursors to the United States (SOR/98-264); General Export Permit No. 38 - Toxic Chemicals and Precursor Mixtures (SOR/98-265); General Import Permit No. 108 - CWC Toxic Chemicals and Precursors (SOR/98-266)**

*Export and Import Permits Act, subsection 7(1.1)*

To be published in Canada Gazette May 13, 1998

General Export Permit (GEP) No. 37 authorizes the export of certain toxic chemicals and precursors to the United States, specifically those found in Export Control List (ECL) Items 7003 to 7006 and certain chemicals in ECL Item 7011.

# Ministerial Orders Approved

Statutory Authority  
&  
Regulatory Plan Listing

These goods, while remaining controlled under various toxic chemical agreements, have been deemed to be of sufficiently low strategic risk that, when traded with the United States, a GEP will provide all necessary compliance with the these control regimes.

Exporters using GEP 37 will be required to comply with certain conditions, including a requirement that they maintain records of all exports and make such records available on request. The chemicals have a wide range of civilian applications in the manufacture of pharmaceuticals, detergents, ceramics, textiles, paints and other domestic goods.

General Export Permit 38 authorizes the export of mixtures containing Chemical Weapons Convention (CWC) Schedule 2 and 3 chemicals and precursors because these Schedules have been deemed to be of less strategic risk than the Schedule 1 chemicals and precursors. GEP 38 permits the export of CWC Schedule 2 chemicals and precursors, when in a mixture, if less than 10% of a schedule 2 chemical or precursor, by weight, is contained in that mixture.

GEP 38 also permits the export of CWC Schedule 3 chemicals and precursors, when in a mixture, if less than 25% of a schedule 3 chemical or precursor, by weight, is contained in that mixture. Schedule 2 contains a lesser percentage than Schedule 3 because they are slightly more sensitive and pose a slightly greater risk than Schedule 3 chemicals and precursors. This GEP will permit such exports to most destinations. It will provide all necessary compliance with the referenced control regimes. Before exporters are permitted to use GEP 38, they will be required to comply with certain conditions, including a requirement that they maintain records of all exports and make such records available on request.

General Import Permit (GIP) No. 108 authorizes the import of certain of these CWC toxic chemicals and precursors as defined in Import Control List (ICL) Item 74 from all sources. Since Import Control List Item 74 cross-references Items 7001 to 7006 of the Export Control List (ECL), only ECL Items 7003 to 7006 apply to this General Import Permit. Although these latter chemicals remain controlled under the CWC, they are considered to present a low strategic risk. [See *SOR/98-248 and 249, above.*]

The permits come into force on April 23, 1998.

Contact: Thomas E Jones, Deputy Director (Technology), Export Controls Division, Export and Import Controls Bureau, Department of Foreign Affairs and International Trade, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2. Tel: 613-996-0197; Fax: 613-996-9933.

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