

# Tracking Federal Regulatory Initiatives

# Regulatory Affairs

VOL. 4, No. 23

July 7, 1998

Circulate to:	<b>HIGHLIGHTS</b>
1.	<b>Proposed Regulations</b>
2.	Definition of "Advertising Revenues" proposed by Copyright Board for use in "neighbouring rights tariff" . . . . . 2-3
3.	Changes to Energy Efficiency Regulations proposed, to introduce minimum efficiency standards for 15 products . . . . . 3-4
4.	<b>Ministerial Orders, Approved</b>
5.	NEB Rules of Practice and Procedure amended . . . . . 5

<b>Proposed Regulations</b>	<b>Statutory Authority</b>
<b>for Pre-Publication in Part I, Canada Gazette</b>	

**Food and Drug Regulations, amendment**

*Food and Drugs Act*

Health Canada has given notice of its intention to amend Division 9 of the Food and Drug Regulations, to permit the sale of a 650 mg sustained release dosage form of acetaminophen.

Published in Canada Gazette July 4, 1998

Currently, the standard dosage unit for acetaminophen specified in Division 9 of the Regulations is 325 mg. This limit does not permit for the marketing of an analgesic product which contains two adult standard dosage units (650 mg) of acetaminophen. The current Regulations allow that two 325 mg units be used as a single dose level of 650 mg of acetaminophen while prohibiting the sale of a 650 mg unit.

Any comments on the proposal should be sent to the contact, below, within 30 days of the publication of the notice.

Contact: Nancy Shadeed, Policy Division, Bureau of Policy and Coordination, Therapeutic Products Programme, Health Protection Building, Address Locator 0702B1, Tunney's Pasture, Ottawa, Ontario K1A 0L2. E-mail: nancy\_shadeed@hc-sc.gc.ca

# Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

## National Parks Garbage Regulations, amendment

The proposed amendments would change the basis for charging fees for garbage collection and disposal services to residents and business operators in two communities in national parks: Waskesiu in Prince Albert National Park; and Wasagaming in Riding Mountain National Park.

In the case of Waskesiu, it has been recognized by the Waskesiu Community Council and the administration of the Park that the special provision included under subsection 13(5) of the Regulations do not provide for the application of the most appropriate fee structure in the community. Subsection 13(5) would be repealed.

Subsection 13(5) states that the cost-recovery fees charged should be either the amount calculated by means of the calculation formula or the amount that would have been charged under the 1995 fee schedule, whichever is the greater amount. This provision was included to ensure relative stability in rates.

However, at that time, the community council was under the understanding that the Regulations would refer to the previous billing period rather than a specific year's fee schedule. With the Regulations worded as is, the Park can levy charges for this year based on a rate schedule that is three years old.

Repealing this subsection will allow for cost recovery to occur based solely on the formula introduced in 1996 for Prince Albert National Park and will allow for the application of the most appropriate fee structure in the community of Waskesiu.

In the case of the community of Wasagaming, the existing garbage fee schedule will be replaced with a new one which will more equitably distribute the costs for this service among all users. The new one would be imposed despite the absence of the community council in discussions on the appropriate fee charges.

The new fees are set out in Table I of Schedule III.

The Regulations, under which Parks Canada charges fees for garbage collection and disposal services, were amended in 1996 to ensure that the rates being charged in all national park communities were sufficient to recover a fair share of operating and capital costs from residents and businesses which receive garbage collection and disposal services in those communities.

Contact: Sharon Budd, Project Manager, Regulatory Development, National Parks, Department of Canadian Heritage, 25 Eddy Street, 4th Floor, Hull, Quebec, K1A 0M5. Tel: 819-994-2698; Fax: 819-994-5140.

## Regulations Defining "Advertising Revenues"

The proposed amendments would prescribe the meaning of the term "advertising revenues" for the purposes of the Copyright Board approving tariffs with respect to the "neighbouring rights tariff".

In so doing, the Regulations define the rate base that will be used to determine which part of a wireless transmission system's revenues benefits from the \$100 special royalty rate specified in subparagraph 68.1(1)(a)(i) of the Act.

These Regulations, if approved, would determine clearly and precisely that part of a wireless transmission system's revenues which will benefit from the \$100 special royalty rate intended to reduce the financial impact on the radio broadcasting industry of the introduction of a new tariff.

Subsection 68.1(3) of the Act gives the Board the power to define, by regulation, the term "advertising revenues", while subsection 68.1(5) gives the Governor in Council the power to define, by regulation, the term "wireless transmission system".

*National Parks Act*, subsection 7(1)

Published in Canada Gazette July 4, 1998

*Copyright Act*, subsection 68.1(3)

Published in Canada Gazette July 4, 1998

# Proposed Regulations

## for Pre-Publication in Part I, Canada Gazette

Statutory Authority

The proposed regulatory language is as follows:

“1. In these Regulations, “system” means a wireless transmission system.

### ADVERTISING REVENUES

2. (1) For the purposes of subsection 68.1(1) of the Copyright Act, “advertising revenues” means the total compensation in money, goods or services, net of taxes and of commissions paid to advertising agencies, received by a system to advertise goods, services, activities or events, for broadcasting public interest messages or for any sponsorship.

(2) For the purpose of calculating advertising revenues, goods and services shall be valued at fair market value.

(3) For purposes of subsection (1), when a system acts on behalf of a group of systems which broadcast a single event, simultaneously or on a delayed basis,

(a) any compensation paid by the system acting on behalf of the group of systems to a system that is part of the group is part of the advertising revenues of that system; and (b) the difference between the compensation received by the system acting on behalf of the group of systems and any compensation referred to in paragraph (a), is part of the advertising revenue of the system which acts on behalf of the group.”

The consultations leading up to these proposed regulations generated considerable controversy. In response, the Copyright Board has generally opted to propose general definitions with the intention of adapting the Regulations, if required, as the market develops.

Contact: Claude Majeau, Secretary, Copyright Board, 56 Sparks Street, Suite 800, Ottawa, Ontario, K1A 0C9. Tel: 613-952-8621; Fax: 613-952-8630.

### Energy Efficiency Regulations, amendment

The proposed amendments would introduce minimum energy efficiency standards for 15 energy-using products and increase the existing energy efficiency standard for 2 products. All of the 17 products covered by the proposed amendment are already regulated in one or more provinces.

The *Energy Efficiency Regulations* are part of the National Action Program on Climate Change. The measures established under this Program encourage the efficient use of energy on an economic basis. They contribute to the competitiveness of Canada's economy, while helping to achieve Canada's greenhouse gas limitation targets.

Carbon dioxide (“CO<sup>2</sup>”), a by-product of fossil fuel consumption, has been identified as the most significant greenhouse gas. Due to greater demand for fossil fuel because of expanding human activities involving energy use, emissions of CO<sup>2</sup> have increased. Because there is limited short-term prospect for switching from fossil fuels to alternative energy sources, the main approach to limiting CO<sup>2</sup> emissions resulting from fossil fuel consumption is to improve energy efficiency.

In proposing the amendments, Natural Resources Canada analysed the benefits of improving the energy efficiency of the following 15 products: dehumidifiers, ice-makers, oil-fired furnaces, oil-fired boilers, residential split-system heat pumps, packaged terminal heat pumps, packaged terminal air conditioners, large air conditioners, condensing units, gas-fired boilers, large heat pumps, three-phase split-system central air conditioners and heat pumps, three-phase single package central air conditioners and heat pumps.

*Energy Efficiency Act,*  
sections 20 and 25

Published in Canada  
Gazette July 4, 1998

## Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

Among the specific changes proposed would be the extension of efficiency requirements from standard clothes dryers to include compact dryers manufactured in Europe. As well, the December 31, 1993 restriction that currently applies to the test procedures for electric motors will be eliminated. The minimum efficiency of residential split system central air conditioners would be increased from 9 SEER to 10 SEER, since 9 SEER models are no longer available from North American manufacturers.

The proposed regulations would come into effect December 31, 1998

Contact: John Cockburn, Chief, Buildings and Equipment, Office of Energy Efficiency, Natural Resources Canada, 580 Booth Street, Ottawa, Ontario, K1A 0E4. Tel: 613-996-4359.

## Exempt from Pre-Publication and Approved

Statutory Authority

### **Employment Insurance Regulations, amendment (SOR/98-356, OIC 1998-1199)**

The amendment makes a minor change to the Family Supplement provisions in section 34 of the Regulations to ensure that the family supplement calculation in the EI legislation retains its direct connection to the Child Tax Benefit found in the income tax system.

A new subsection 34(2.1) ensures that the Family Supplement linkage will be re-examined rather than automatically include ongoing linkages after the implementation of the new Canada Child Tax Benefit in July 1998.

The regulatory language is as follows:

“1. Subsections 34(2) and (2.1) of the *Employment Insurance Regulations* are replaced by the following:

(2) For the purposes of this section, a child tax benefit is a deemed overpayment under subdivision a.1 of Division E of Part I of the Income Tax Act as that subdivision read on July 1, 1997 and as amended in relation to that benefit by the Income Tax Amendments Act, 1997 and in relation to the Canada child tax benefit by Part 9 of the *Budget Implementation Act, 1998*.

(2.1) For greater certainty, any amendments made to the Canada child tax benefit after the coming into force of the amendments referred to in subsection (2) shall not be taken into account for the purposes of that subsection.”

Under the current regulation, the link is limited to the level and structure of the Child Tax Benefit as of June 30, 1996 including any amendments announced in the 1997 Budget.

The 1997 Budget also contained a further enhancement to the Child Tax Benefit that will be effective July, 1998. At that time, the Child Tax Benefit and Working Income Supplement will be absorbed into a new Canada Child Tax Benefit, thereby further increasing the benefit paid per child. The provisions for the Canada Child Tax Benefit are contained in the *Budget Implementation Act, 1998*.

In addition to the changes contained in the Budget Implementation Act, 1998, the changes to section 34 include a reference to some technical amendments to the Child Tax Benefit contained in the *Income Tax Amendments Act, 1997*.

*Employment Insurance Act*, section 16 and paragraph 54(d)

To be published in Canada Gazette July 22, 1998

## Exempt from Pre-Publication and Approved

Statutory Authority

The amendment to subsection 34(2) is needed to ensure that only the July 1998 changes found in the *Budget Implementation Act, 1998* and the technical amendments in the *Income Tax Amendments Act, 1997* are applied to the EI Family Supplement.

The amendments come into effect June 29, 1998.

Contact: Sue Fowler, Senior Policy Advisor, Policy & Legislation Development Insurance, Human Resources Development Canada, 140 Promenade du Portage, Phase IV, 9th Floor, Ottawa, Ontario, K1A 0J9. Tel: 819-997-8628; Fax: 819-953-9381.

## Ministerial Orders Approved

Statutory Authority

### Rules Amending the National Energy Board Rules of Practice and Procedure, 1995 (Miscellaneous Program) (SOR/98-355)

*National Energy Board Act*, section 8

The amendments, which come into effect June 29, 1998, correct non-substantive problems identified by the National Energy Board.

To be published in Canada Gazette July 22, 1998

More specifically, the amendment corrects a discrepancy between the English and French versions of section 53 of the National Energy Board Rules of Practice and Procedure, 1995. The change corrects the French version because it refers to a "written hearing" held pursuant to subsection 35(3) of the National Energy Board Act rather than a "hearing" as is set out in the English version. Written hearings cannot be held pursuant to subsection 35(3) of the *National Energy Board Act*.

Contact: P. Noonan, Counsel, National Energy Board, 311-6th Ave. S.W., Calgary, Alberta, T2P 3H2. Tel: 403-299-3552; Fax: 403-292-5503; e-mail: pnoonan@neb.gc.ca

### Canadian Turkey Marketing Agency Quota Regulations, 1990, amendment (SOR/98-357)

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

This amendment, which comes into force on June 30, 1998, establishes the market allotments within a province for turkey during the control period beginning May 1, 1998 and ending on April 30, 1999.

To be published in Canada Gazette July 22, 1998

The new allotments are as follows: Ontario, 122,799,303; Quebec, 62,989,789; for Nova Scotia, 7,928,014; New Brunswick, 5,465,646; Manitoba, 20,712,896; British Columbia, 32,721,163; Saskatchewan, 10,420,432; and Alberta, 24,731,355.

Regulatory Affairs

ISSN 1201-0715



Editor: Mary Ferguson

© 1998 J-K Carruthers Ltd.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

Please send any questions or comments c/o the Editor, J-K Carruthers Ltd., R.R. #1, Perth, Ontario, K7H 3C3, Telephone (613) 267-3890, Fax (613) 267-6727. Visit our Web Pages at [www.carruthers.com](http://www.carruthers.com).