

# Tracking Federal Regulatory Initiatives

# Regulatory Affairs

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**Great Lakes Pilotage Tariff Regulations, amendment**

The proposed amendment introduces a one-year tariff reduction of 5 percent for pilotage services in the area of the Welland Canal and in the Cornwall District; tariff charges will revert to their current level in the following year.

The Great Lakes Pilotage Authority is implementing this reduction in the tariff to obtain the revenues needed to operate in a break-even position on a day-to-day basis

Despite a freeze in tariff charges during the past four years, the Authority has been able to build up a small surplus fund due to its cost-cutting program with respect to operations. It decided to use this surplus for a year to cut tariffs modestly for a year.

Users will benefit from this one-year tariff reduction and will save an estimated \$350,000 in pilotage costs during this period. This represents a cost savings of \$350 per ship for a complete transit of the system from St. Lambert Lock to Thunder Bay.

The proposed regulations will come into effect on the day they are approved by the federal cabinet and registered.

Contact: R. G. Armstrong, Chairman, Great Lakes Pilotage Authority, P.O. Box 95, Cornwall, Ontario, K6H 5R9. Tel: 613-933-2991; Fax: 613-933-3793.

*Pilotage Act*, subsection 34(1)

Published in Canada Gazette December 26, 1998

# Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

## Schedule III of the Municipal Grants Act, amendment

The proposed amendment would add The Federal Bridge Corporation Limited to Schedule III of the Municipal Grants Act, thereby making the Crown Corporation eligible to pay grants in lieu of taxes on properties it owns.

The Federal Bridge Corporation Limited was incorporated on September 2, 1998, under the *Canada Business Corporations Act* as a subsidiary of The St. Lawrence Seaway Authority. Upon dissolution of The St. Lawrence Seaway Authority it will become a parent Crown corporation as defined in the *Financial Administration Act*.

The proposed regulations will come into effect on the day they are approved by the federal cabinet and registered.

Contact: Alexander MacGregor, Director, Municipal Grants, Public Works and Government Services Canada, Sir Charles Tupper Building, Riverside Drive, Ottawa, Ontario, K1A 0M2. Tel: 613-736-26653.

*Municipal Grants Act*, subsection 9(2)

Published in Canada Gazette December 26, 1998

## Order Terminating the Application of the Public Harbours and Port Facilities Act to Certain Public Harbours, 1999

The proposed regulations would terminate the application of the *Public Harbours and Port Facilities Act* (PHPFA) to certain public harbours at various points in time.

For those public harbours listed in Schedule 1, termination will be effective March 31, 1999. These sites have no Transport Canada port facilities and no federal ownership of the harbour bed.

In addition, the Canada Ports Corporation (CPC) is currently seeking Governor in Council approval to terminate its administration and control of the public harbour of Baie des Ha! Ha! as well as two portions of the public harbour of Saguenay. As a result of this termination order, the harbour and the two portions will revert to Transport Canada as public harbours, pursuant to the PHPFA. The public harbour of Baie des Ha! Ha! has been added to Schedule 1 and the two portions of the public harbour of Saguenay are described in Schedule 2. Deproclamation may only occur after the termination of administration and control by CPC.

Schedule 3 lists those public harbours adjacent to which Transport Canada, Harbours and Ports, currently maintains a public port facility. Termination of the application of the PHPFA will be effective only upon transfer of the entire public port facility.

For those public harbours listed in Schedule 4, the termination will be effective upon transfer of the harbour bed and, if applicable, the related public port facility. Schedule 4 harbours are those that are owned by the Government of Canada, under the management and control of the Minister of Transport. In some instances, Transport Canada, Harbours and Ports, also maintains a public port facility at these locations.

In the case of public harbours listed in Schedules 3 and 4, the Minister will continue to use the PHR (or successor regulations under the *Canada Marine Act*) to manage these harbours until the termination order becomes effective. In accordance with the order, the dates of transfer and thus termination of the application of the PHPFA at Schedule 3 and Schedule 4 harbours will be published in the Canada Gazette, Part I.

Upon termination of the application of the PHPFA at a public harbour, the federal harbour master will be withdrawn.

*Public Harbours and Port Facilities Act*, subsection 8(3)

Published in Canada Gazette December 26, 1998

# Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

With the termination of the application of the PHPFA, harbour dues will be eliminated at these public harbours. In 1996/97, this fee generated \$2.9 million nationwide, which, net of harbour master commissions, provided revenues of \$2.5 million to Transport Canada. With the termination of the application of the PHPFA at certain public harbours, federal harbour masters will be withdrawn and PHPFA/PHR services will no longer be provided. Consequently, there will be no further need to collect these fees.

The proposed regulations will come into effect on March 31, 1999.

Contact: Lila Killoran, Director, Port Corporations and Port Property, Port Programs and Divestiture, Transport Canada, 330 Sparks Street, Ottawa, Ontario, K1A 0N5. Tel: 613-990-3964; Fax: 613-954-0838.

## Port Authorities Management Regulations

The proposed Regulations would establish the rules governing the corporate affairs of port authorities established under the *Canada Marine Act* (CMA).

The initial port authorities subject to the new regulations will operate ports at Fraser River, Halifax, Hamilton, Montréal, Nanaimo, North Fraser, Port Alberni, Prince Rupert, Quebec, Saguenay, Saint John, Sept-Îles, St. John's, Thunder Bay, Toronto, Trois-Rivières, Vancouver and Windsor. These port authorities replace local port corporations and non-corporate ports operating under the Canada Ports Corporation Act and harbour commissions operating under various statutes.

The CMA (and letters patent issued by the Minister of Transport) specify the extent of port authority powers relating to port operations, supporting activities, contracting, borrowing, subsidiaries, investments, property acquisition, use and disposal, port fees and port traffic control.

The new Regulations would replace similar, but less extensive, administrative by-laws currently applicable to local port corporations and non-corporate ports.

Part 1 of the Regulations deals with general administrative matters, particularly the maintenance of, and access to, corporate records. Port authority records are also subject to public access in accordance with the Access to Information Act.

Part 2 deals with port authority directors and officers, including the conduct of directors' meetings, directors' liability for wages of port authority employees, liability for financial statements, and port authority indemnification of directors and officers. Other requirements pertaining to directors and officers are found in sections 14 to 22 of the CMA.

Part 3 regulates port authority financial matters, particularly investments by port authorities, contents of financial statements, auditors and audit committees. Other provisions relating to financial matters are found in sections 32 and 36 to 43 of the CMA.

Part 4 requires the port authorities to maintain insurance and carry out periodic risk assessments and Part 5 details the process for liquidation and dissolution of port authorities. Other provisions relating to liquidation and dissolution are found in section 55 of the CMA.

The proposed regulations will come into effect on the day they are registered.

Contact: Bruce Bowie, Executive Director, Marine Policy Reform, Department of Transport, Place de Ville, Tower C, 20th Floor, Ottawa, Ontario, K1A 0N5. Tel: 613-998-0702; Fax: 613-993-7001.

*Canada Marine Act*, subsection 27(1)

Published in Canada Gazette December 26, 1998

# Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

## Canada Port Authority Environmental Assessment Regulations

*Canadian Environmental Assessment Act*, paragraph 59(k)

The proposed Regulations would will apply to all of the 18 ports corporations and harbour commissions that will become Canada Port Authorities and would define an environmental assessment process to be followed by them for projects undertaken by as defined in paragraph 5(1)(a), (b) or (c) of the *Canadian Environmental Assessment Act*.

To be published in Canada Gazette January 2, 1999

The proposed Regulations contain the following key elements:

- (a) a three-level approach to the environmental assessment process—screening, comprehensive study and panel review;
- (b) a self-directed process at the screening and comprehensive study levels (99 percent of all expected environmental assessments) in which a CPA is solely responsible for carrying out all aspects of the process, including public consultations and decision-making;
- (c) a more streamlined method for approving a CPA-established class screening process aimed at rapid review of routine projects;
- (d) for projects subject to both the Canadian Environmental Assessment Act and these regulations, a provision for a cost effective co-ordination arrangement which minimizes duplication and inefficiency in carrying out assessments;
- (e) a panel review option for projects in which the Minister of the Environment, the Minister of Transport and the relevant Canada Port Authority all play key roles; and in which the basis for determining the need for such an approach is based on a set of explicit criteria contained in the regulations; and
- (f) a requirement that each CPA establish a public registry allowing convenient public access to records relating to each screening and comprehensive study; and that the Canadian Environmental Assessment Agency (the Agency) maintain a public registry for panel review assessments.

In association with the introduction of these regulations, the Canadian Environmental Assessment Agency will update those sections of the *Comprehensive Study List Regulations* established pursuant to paragraph 59(d) of the *Canadian Environmental Assessment Act* relating to marine terminals projects.

The proposed Regulations come into force on the day on which Section 166 of the *Canada Marine Act* comes into force.

Contact: Jim Clarke, Director, Legislative and Regulatory Affairs, Canadian Environmental Assessment Agency, Fontaine Building, 14th Floor, 200 Sacré-Coeur Boulevard, Hull, Quebec, K1A 0H3. Tel: 819-997-2253; Fax: 819-953-8592.

## Income Tax Regulations, amendment

*Income Tax Act*, section 221

The proposed amendment would amend Part 49 This Part is amended so that shares issued by community endorsed venture capital corporations registered under the law of the Northwest Territories are considered qualifying investments and so that arm's length investments in employee venture capital corporations and labour-sponsored venture capital corporations registered under the same law are also considered qualifying investments.

To be published in Canada Gazette January 2, 1999

These proposed amendments are consequential to the recent enactment of the *Risk Capital Investment Tax Credits Act* (Northwest Territories).

# Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority

Part 49 of the *Income Tax Regulations* sets out a list of qualifying investments for trusts governed by registered retirement savings plans and registered retirement income funds.

More specifically:

- Subsection 5100(1) of the Regulations defines the expression “eligible corporation”. This expression is relevant principally for the purpose of the “3 for 1” rule. Under this rule, each \$1 invested in an eligible corporation can generate up to \$3 of additional foreign property room for the purposes of the 20 percent foreign property limit. The definition is amended to clarify that a mutual fund corporation (including a labour-sponsored venture capital corporation) is not among the types of corporations excluded from the definition because of paragraph (c) of the definition. It is also amended to explicitly list the types of corporations so excluded.
- Individuals who acquire shares issued by a “prescribed labour-sponsored venture capital corporation” are generally entitled to a federal income tax credit under section 127.4 of the *Income Tax Act*. In addition, tax assistance provided for the purchase of shares issued by a “prescribed venture capital corporation” does not result in a reduction in the adjusted cost base for federal income tax purposes of any share acquired. For these and a number of other purposes, sections 6700 and 6701 list “prescribed venture capital corporations” and “prescribed labour-sponsored venture capital corporations”.
- Sections 6700 and 6701 of the Regulations are amended by expanding the lists in each section to include labour-sponsored venture capital corporations registered under Part II of the *Risk Capital Investment Tax Credits Act* (Northwest Territories).
- Part 67 is also amended so that the favourable treatment of tax assistance applies to employee venture capital corporations registered under Part III of the *Risk Capital Investment Tax Credits Act* (Northwest Territories).
- Part 67 is also amended so that references to the *Labour Sponsored Venture Capital Corporation Act, 1992* (Ontario) are changed to the *Community Small Business Funds Act* (Ontario). These amendments are strictly consequential to the change in name of the Ontario legislation.
- Subsection 204.82(5) of the *Income Tax Act* provides a new tax under Part X.3 of the Act on certain labour-sponsored venture capital corporations (LSVCCs) that have been prescribed under the Regulations for the purpose of the federal LSVCC tax credit. However, tax under this subsection is generally not payable where an amount is payable as a consequence of a provision of the law of a province and the provision is prescribed. New section 6707 of the Regulations is introduced to provide a list of prescribed provisions in respect of a law of a province for the purpose of this subsection. For now, the only provision to be prescribed is section 25.1 of the *Community Small Business Funds Act* (Ontario).

Contact: Simon Thompson, Tax Legislation Division, Department of Finance, L'Esplanade Laurier, East Tower, 17th Floor, 140 O'Connor Street, Ottawa, Ontario, K1A 0G5. Tel: 613-992-0049.

## Exempt from Pre-Publication and Approved

### Statutory Authority

#### **Canadian Wheat Board Regulations, amendment (SOR/99-36, OIC 1998-2344)**

The amendment establishes a higher initial payment for the base grades of wheat (an increase of \$15 per metric tonne), amber durum wheat (an increase of \$15 per metric tonne) and barley (an increase of \$15 per tonne) for the 1998-99 crop year.

If producers deliver to the pool accounts 12.3 million tonnes of wheat, 4.6 million tonnes of amber durum wheat and 150,000 tonnes of barley during the 1998-99 crop year, then these initial payment adjustments would represent about \$255 million in additional grain receipts for wheat and barley producers.

The Regulations come into effect on December 22, 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: 613-759-7476.

*Canadian Wheat Board Act*, subparagraph 32(1)(b)(i), subsection 47(2) and section 61

To be published in Canada Gazette January 6, 1999

## Ministerial Orders Approved

### Statutory Authority

#### **Technical Amendments Order (Customs Tariff) 1998-9 (SOR/99-37)**

The amendments correct a mistake made when the new simplified Customs Tariff inadvertently removed tariffs on angle grinders.

The amendment restores a 6% Most Favoured Nation rate of duty on angle grinders of subheading 8508.80, effective January 1, 1998; an earlier Order [*Technical Amendments Order (Customs Tariff) 1998-3 - SOR/98-340*] had restored the tariff effective June 15, 1998.

Contact: Deborah E.M. Hoeg, International Trade Policy Division, Department of Finance, Ottawa, Ontario, K1A 0G5. Tel: 613-996-7099.

*Customs Tariff*, section 138

To be published in Canada Gazette January 20, 1999

#### **Canadian Broiler Hatching Egg Marketing Levies Order , amendment (SOR/99-38)**

This amendment changes the levy imposed on producers for broiler hatching eggs marketed in interprovincial or export trade.

More specifically, the levy for producers in Ontario is increased to \$0.007985, for producers in Alberta is decreased to \$0.0015, and for producers, dealers or hatchery operators in a non-signatory province is increased to \$0.0050.

The levy changes are effective January 1, 1999.

The Order also extends the expiration date of the Order to December 31, 1999, effective December 23, 1998.

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

To be published in Canada Gazette January 20, 1999

#### **Canadian Broiler Hatching Egg and Chick Orderly Marketing Regulations, amendment (SOR/99-39)**

This amendment extends the expiration date of the Regulations to December 31, 1999, effective December 23, 1998.

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

To be published in Canada Gazette January 20, 1999

# Ministerial Orders Approved

## Statutory Authority

### **Saint John Harbour Dues By-Law , amendment (SOR/99-45)**

This amendment authorizes the Saint John Port Corporation to change harbour dues for Saint John Harbour from time to time until January 1, 2002 at a rate not to exceed 4% per year.

Pleasure craft, most ferries and Canadian-registered fishing vessels less than 50 tons gross register are exempt from harbour dues.

The Order sets out new harbour dues under Section 5 of the Schedule. The Order was pre-published in the Canada Gazette, Part I on September 26, 1998 and no adverse comments were received.

Contact: Capt. Alwyn G. Soppitt, President and Chief Executive Officer, Saint John Port Corporation, P.O. Box 6429, Station A, Saint John, New Brunswick, E2L 4R8. Tel: 506-636-4869.

*Canada Ports Corporation Act*, section 13

To be published in Canada Gazette January 20, 1999

### **Canadian Egg Marketing Levies Order , amendment (SOR/99-46)**

This amendment establishes the Canadian Egg Marketing Agency levy rate for 1999, exempts from that levy, except for a producer in Ontario, eggs marketed in export trade under an export quota, or under an export market development quota, and establishes a levy of \$0.80 per dozen of eggs marketed by a producer in excess of an export market development quota or in a manner contrary to the conditions respecting that quota.

Section 3 is amended to establish a levy of \$0.169 for each dozen of eggs marketed by the producer, minus the number of dozens of eggs, if any, marketed by that producer in intraprovincial trade.

Section 6.1 is also added to allow the \$0.80 levy to be deducted by the Agency from monies payable to the producer.

The amendments come into force on December 27, 1998.

The Order ceases to have effect on December 26, 1999.

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

To be published in Canada Gazette January 20, 1999

### **Canadian Egg Marketing Agency Quota Regulations, 1986, amendment (SOR/99-47)**

This amendment, which comes into force on December 29, 1998, establishes the allocation of export market development quotas and establishes the number of dozens of eggs that producers may market under federal quotas or export quotas during the 12-month period commencing on December 29, 1998.

The new limits are as follows:

- limits to federal quotas (number of dozens of eggs), for Ontario, 185,237,253; for Quebec, 82,738,545; for Nova Scotia, 18,648,422; for New Brunswick, 10,024,816; for Manitoba, 55,066,141; for British Columbia, 59,497,832; for P.E.I., 3,117,0398; for Saskatchewan, 22,880,514; for Alberta, 41,523,648; and for Newfoundland, 8,039,958.
- limits to export quotas (number of dozens of eggs), for Ontario and for Manitoba, 4,740,000;
- limits to export market development quotas (number of dozens of eggs), for Manitoba, 11,850,000.

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

To be published in Canada Gazette January 20, 1999

# Ministerial Orders Approved

Statutory Authority

The Regulations amend section by adding definitions for “designated facilities” and “export market development quota”; replaces subsection 4(1), adds section 5.2 (Entitlement to Export Market Development Quota); adds section 7.2, and replaces the Schedule.

The amendments come into force on December 29, 1998.

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