

Tracking Federal Regulatory Initiatives

Regulatory Affairs

VOL. 3, No. 6

February 22, 1997

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Marine Certification Regulations, amendment

The proposed amendment would consolidate into one regulation all provisions on qualifications required for crew members of Canadian commercial vessels and drilling units to obtain certificates. At present, the requirements are contained in five regulations.

The change is in part required following Canada's accession, on Nov. 6, 1987, to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978. These requirements will require additional training of certain groups of seafarers, at an estimated cost to industry of \$23.5-million, spread over five years.

Some changes were agreed to by the Canadian Coast Guard Marine Advisory Council (CMAC).

The Regulations have been changed following an earlier prepublication in the Canada Gazette, Part I on August 12, 1995, and consultation meetings held in late 1996. The changes include:

- the definition of "local voyage" now includes the Canadian Arctic and all of Hudson Bay;

Canada Shipping Act, subsection 111(1) of section 110

TC/95-37

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- the definitions for “chemical tanker”, “intermediate-run ferry”, “liquefied gas tanker”, “oil tanker” and “short-run ferry” have been modified or added;
- the minimum age limit has been removed for “Master Limited”, “Fishing Master, Fourth Class” and “Restricted Certificate of Proficiency in Survival Craft”, to allow for the consideration of experience as an examination prerequisite;
- add transition time periods have been allowed for the industry to implement prerequisite marine safety training, training on propulsion plant simulators, and continued proficiency certificates.

The Regulations were republished in the Canada Gazette, Part I on March 23, 1996 (See *Regulatory Affairs*, Vol. 2, No. 11, pp. 1-2, March 18, 1996).

Contact: M.E. Jenkins, AMBC, Director, Regulations, Marine Safety Directorate, Department of Transport, Canada Building, 344 Slater Street, Ottawa, Ontario, K1A 0N7. Tel: 613-998-0656; Fax: 613-991-5670.

Crewing Regulations; Non-Canadian Ships Safety Order, amendment

The proposed new *Crewing Regulations* would consolidate into one regulation the provisions respecting the crewing of Canadian commercial ships, drilling units and foreign ships and units in Canadian waters. At present, the requirements are contained in six regulations: *Certification of Ships’ Cooks Regulations, Part II; Master and Engineer Dual Capacity Regulations; Medical Examination of Seafarers Regulations; Nominal Horsepower Computing Method Regulations; Safe Manning Regulations; and Ships’ Deck Watch Regulations.*

The new regulations also:

- expand on an existing requirement for mandatory medical examinations for seafarers engaged on foreign-going voyages to all seafarers serving on ships of 25 tons gross tonnage or greater on all but limited voyages;
- establish an appeal board as a new method of case review in support of human rights violations and complaints;
- deal with concerns raised by the Standing Joint Committee for the Scrutiny of Regulations relating to the delegated authority of the *Engineer Examination Regulations.*

The proposed changes to the Non-Canadian Ships Safety Order address a concern raised by the Standing Joint Committee for the Scrutiny of Regulations relating to the application of Canadian certificates on foreign ships.

The Regulations have been changed following an earlier prepublication in the Canada Gazette, Part I on March 23, 1996 (See *Regulatory Affairs*, Vol. 2, No. 11, pp. 1-2, March 18, 1996), and consultation meetings held in late 1996. The changes include:

- the definition of “local voyage” now includes the Canadian Arctic and all of Hudson Bay;
- the definitions for “chemical tanker”, “intermediate-run ferry”, “liquefied gas tanker”, “oil tanker” and “short-run ferry” have been modified or added;
- clarification of the requirements for foreign ships operating in Canadian waters in order to implement competitive conditions for all ships.

Contact: M.E. Jenkins, AMBC, Director, Regulations, Marine Safety Directorate, Department of Transport, Canada Building, 344 Slater Street, Ottawa, Ontario, K1A 0N7. Tel: 613-998-0656; Fax: 613-991-5670.

Canada Shipping Act, subsections 111(1) and 562.12(1), paragraphs 110(1)(c), (j) and (k), section 112, and paragraphs 338(1)(o) and 562.1(1)(b) and (c), subsection 420(1)

TC/95-37; TC/95-38

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Livestock and Poultry Carcass Grading Regulations, amendment (Beef standards; 96014)

The proposed amendment would update the national grade standards for beef carcasses graded in Canada.

More specifically, the amendment would:

- establish a Canada Prime grade;
- provide the option to knife-rib carcasses on both sides; and
- provide the option for grading to be performed at a federally registered processing establishment.

The new Canada Prime grade, which differs from the Canada AAA grade in that the required marbling level is at least "slightly abundant" or more, would be equivalent to the USDA Prime grade. All other grading criteria are the same as for the Canada A/AA/AAA grades. The new Canada Prime grade will respond primarily to the needs of the export market and the hotel, restaurant and institutional (HRI) sector (and help reduce the need for imports of Prime grade beef from the U.S.).

Packers will have the option of having those carcasses eligible for the Canada Prime grade, grade-stamped with the new grade name or as Canada AAA.

Knife-ribbing is the cutting of the carcass side between the twelfth and thirteenth ribs to expose the ribeye muscle so that it can be evaluated by the grader for colour, marbling and fat thickness. In Canada, the Regulations specify that the left side of the carcass is to be knife-ribbed. In the United States, however, packers are allowed to knife-rib both carcass sides so that the grader may select the side which results in the highest grade. This amendment achieves the same effect by requiring that the left side continue to be knife-ribbed, as well as permitting packers the option of also knife-ribbing the right side so that the grader may evaluate both sides and determine the final grade based on the best side.

Presently, beef carcasses must be graded in the establishment where the animals were slaughtered. The establishment may be registered under either the federal or a provincial meat inspection service. In certain cases such as where there is inadequate cooler space at the slaughter establishment, it would be more convenient to perform the grading at the establishment where the carcasses are subsequently processed. This amendment allows beef carcasses from cattle slaughtered in federally-registered establishments to be graded either at the establishment of slaughter or in a federally-registered processing establishment. Grading in provincially-registered establishments will continue to be at the establishment of slaughter.

Contact: Richard Robinson, Chief, Livestock Identification and Legislation, Meat and Poultry Products Division, Food Production and Inspection Branch, Nepean, Ontario, K1A 0Y9. Tel: 613-952-8000; Fax: 998-0958.

Medical Devices Regulations, amendment

The proposed amendments would replace the Medical Devices Regulations which have been in force since 1975, with a new set of Medical Devices Regulations.

The new Regulations stem from a 1991-1992 review of the Department's Medical Devices Program (MDP) which recommended that the MDP should focus on regulating medical devices on a risk assessment and risk management basis.

The scope of application of the new regulations would remain virtually unchanged: all medical devices will be subject to the Regulations with the minor exception of medical devices for use on animals which will only be subject to the Act.

*Canada Agricultural
Products Act*

1997 - Future Initiatives

Published in Canada
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1997

*Food and Drugs Act, sub-
section 30(1)*

HCan/96-18-M

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The major difference is the focus of the new Regulations and their emphasis on the risks inherent in medical devices. Under present requirements only 5 - 10% of medical devices are subject to pre-market scrutiny prior to marketing in Canada, whereas under these Regulations, approximately 50% of medical devices will undergo some form of premarket scrutiny before authorization for sale in Canada is granted. A significant portion of this pre-market scrutiny is in the area of quality system audits.

In brief, the proposed Regulations would:

- set out a system for classifying medical devices into one of four classes; class I representing the lowest risk devices and class IV representing the highest risk devices.
- require that device manufacturers register the devices they sell in Canada and insert specified information. Sale of unregistered devices would be prohibited.
- require that device importers and distributors register their establishments. Sale of devices by unregistered importers and distributors would be prohibited.
- require that devices imported or sold in Canada be labelled and meet 11 fundamental safety and effectiveness requirements, which manufacturers must provide assurance the requirements have been met. The degree of information which must be submitted to provide that assurance is proportional to the class of the device. For example, Class IV devices require more information to be submitted than class III devices; class III devices require more information to be submitted than class II devices.
- require that manufacturers must provide evidence that the devices they sell in Canada are produced in accordance with a certified quality system. Class I devices are exempt unless they are sterile or provide a measuring function, in which case the sterilization process and measuring function must be validated.
- require manufacturers, importers and distributors to keep distribution records and to have written procedures to investigate problems and to recall defective devices from the market.
- require manufacturers and importers report serious problems which have occurred involving the use of devices they sell.
- provide for the tracking of certain implanted devices so that recipients of those implants may be notified of pertinent post-implant information. Schedule II to the regulations will identify devices subject to this requirement. At present, only one device has been identified on this Schedule (i.e. heart valves), but this will likely be expanded.
- require manufacturers to obtain authorization from the Health Department prior to conducting investigational testing involving Class II, III and IV devices. The provisions will require investigators to provide a written undertaking to the manufacturer that they will conduct the investigation in accordance with the protocol provided and that they will advise the manufacturer and the MDP of any serious problems which may result from the use of the investigational device.
- provide for exemptions for custom-made devices and devices for emergency use from most of the requirements of the Regulations. The provisions set out the conditions that must be met in order to qualify for the exemptions.

The new Regulations, with some exceptions, will take effect on August 1, 1997, with some transitional rules.

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The exceptions relate to establishment registration, quality systems and device registration as follows:

- establishment registration requirements take effect on August 1, 1998, meaning establishments must be registered by that date.
- quality system requirements take effect on August 1, 2000, meaning manufacturers must provide evidence to the MDP by that date, that their devices are fabricated in accordance with a certified quality system.
- manufacturers of devices which are being sold in Canada when the new Regulations take effect will be provided a grace period to register those devices. That grace period will end on August 1, 1998, meaning that the devices must be registered by that date. Manufacturers wishing to introduce devices onto the market after the new Regulations take effect will need to register those devices prior to selling them; there is no grace period for those devices.
- for class III or IV devices which were being sold in Canada when the new Regulations take effect, certain portions of the device registration requirements will be deemed to have been met if the devices were being sold in compliance with specified provisions of the old Regulations.

Among the changes to the regime that resulted from extensive consultations are:

- use of a mandatory bar code identifier is being deferred while the industry develops its own bar code labelling initiatives;
- the exemption from quality system requirements for Class I devices;
- harmonization of the mandatory problem reporting with the European Union Vigilance system;
- a combined establishment and device registration regime.

Contact: Dean Correll, Chief, Office for Quality and Regulations Management, Environmental Health Directorate, Environmental Health Centre, Address Locator: 0801C1, Tunney's Pasture, Health Canada, Ottawa, Ontario, K1A 0L2. Tel: 613-957-3142; Fax: 613-954-2486.

Air Services Charges Regulations, amendment

The proposed amendment increase user charges for landing, general terminal and/or aircraft parking charges at 48 airports across Canada, effective April 1, 1997.

The increases, about 10.3% over existing levels, are expected to generate some \$4.3-million in additional revenue per year. For most of the airports, the increase would be less than \$1 per enplaned/deplaned passenger, with an overall cap of \$2.50.

Other proposed changes include:

- an increase in special landing fees at Gander International to \$5.68 from \$4.45 on the first 30,000,000 kg in accumulated weight landed, and to \$4.32 from \$3.20 on any weight in excess of 44,800,000 kg in accumulated weight landed;
- an increase in the loading bridge charge at Thunder Bay airport to \$50.40 from \$48 for each connection of an aircraft to the loading bridge;
- elimination of an exemption from the general terminal charge at Yarmouth airport for aircraft with less than 10 seats; the new charge for these aircraft would be about 50% of the charge for aircraft with 10 to 15 seats.
- removal of references to Comox, Kuujuaq, Toronto International, Watson Lake and Whitehorse airports, now that they are under local control.

The proposed effective date for the regulations is April 1, 1997.

Contact: Dan Cogliati, Acting Director, Cost Recovery, Department of Transport, Place de Ville, Tower C, 22nd Floor, Ottawa, Ontario, K1A 0N5. Tel: 613-993-5769; Fax: 613-998-1337.

Aeronautics Act and Ministerial Regulations Authorization Order

Not included in Regulatory Plan

Published in Canada Gazette February 15, 1997

Exempt from Pre-Publication and Approved

Statutory Authority & Regulatory Plan Listing

Order Restricting Certain Immunity in Relation to the United States (SOR/97-121, OIC 1997-242)

The Order restricts the immunity extended under the Canadian *State Immunity Act* to certain USA legal entities in order to achieve equivalence with the corresponding immunity extended under the USA *Foreign Sovereign Immunities Act* to foreign (including Canadian) legal entities.

More specifically, the Order establishes that the immunity accorded under the State Immunity Act, in relation to the United States, shall not extend to a legal entity, whether or not it is a corporate entity, wherever registered, that is acting on behalf of, on instructions from or at the request of the United States, unless a majority of the shares or other ownership interest of the legal entity is owned by the United States or a political subdivision of the United States.

The order limits the defences that might be raised by U.S. companies in Canadian courts.

Contact: D.W. Smith, Director, Legal Advisory Division, Department of Foreign Affairs and International Trade, 125 Sussex Drive, Tower C, 7th Floor, Ottawa, Ontario, K1A 0G2. Tel: 613-992-6296.

Food and Drug Regulations, amendment (Schedule No. 1016) (SOR/97-122, OIC 1997-243)

This amendment provides for the use of glucose oxidase from *Aspergillus niger* var. in bread, flour and unstandardized bakery products at levels consistent with "Good Manufacturing Practice".

This amendment will provide industry with an alternative dough conditioning agent for use in the manufacture of bread, flour and bakery products.

Provision currently exists in the Regulations for the use of glucose oxidase in soft drinks, liquid whole egg, egg white and liquid egg yolk destined for drying.

Contact: Director, Bureau of Food Regulatory, International & Interagency Affairs, Health Canada, Ottawa, Ontario K1A 0L2. Tel: 613-957-1828; Fax: 613-941-3537.

Temporary Entry Remission Orders No. 50 (SI/97-28, OIC 1997-252), No. 51 (SI/97-29, OIC 1997-253), No. 52 (SI/97-30, OIC 1997-254), and No. 53 (SI/97-31, OIC 1997-255)

These Orders grant remissions of a portion of the customs duties, sales tax and excise taxes on various goods not available from domestic sources that were temporarily imported into Canada for specific commercial or industrial purposes.

The Temporary Importation Remission Order, C.R.C., c. 798, and its successor, the Temporary Importation Regulations, SOR/89-427, provide for a remission of a portion of the customs duties, sales tax and excise taxes payable on enumerated classes of goods imported into Canada for certain purposes and for specified periods.

On occasion, other specialized goods not available from domestic sources, such as the goods to which this Order applies, are required for a temporary period for specific commercial, industrial or charitable purposes. Each request for relief is reviewed individually to ensure that Canadian goods are not displaced.

The amounts of remission are: for Order No. 50, \$2,433,127; No. 51, \$792,167; No. 52, \$1,703,650; and No. 53, \$2,310,354.

Contact: Kjerstine Holmes, A/Secretary Interdepartmental Remission Committee, Department of National Revenue, 6th Floor, Connaught Building, 555 MacKenzie Avenue, Ottawa, Ontario, K1A 0L5. Tel: 613-954-6937.

State Immunity Act, s. 9

Not included in Regulatory Plan

To be published in Canada Gazette March 5, 1997

Food and Drugs Act, sub-section 30(1)

HCan/R-33-I

To be published in Canada Gazette March 5, 1997

Customs Tariff, section 101

RC/R-32-L

To be published in Canada Gazette March 5, 1997

Pre-Published and Approved No comments or changes

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Canada Mining Regulations, amendment (SOR/97-117, OIC 1997-238)

The amendment increases the fee for identification tags from \$1 to \$2 a set; revokes section 78 since the federal assay office no longer exists; and revises some forms to take into account changes in computer and microfilm technologies.

The Regulations govern the management of mineral rights in the Northwest Territories. Identification tags are used in staking claims. The increase in the fee for identification tags follows a 60% increase in the price paid to the manufacturer.

The proposed changes were prepublished in the Canada Gazette Dec. 14, 1996 (see *Regulatory Affairs*, Vol. 2, No. 49, pp. 2-3, Dec. 31, 1996).

Contact: John Hodgkinson, Chief, Mining Legislation and Resource Management, Department of Indian Affairs and Northern Development, 10 Wellington Street, Ottawa, Ontario, K1A 0H4. Tel: 819-994-6434.

Territorial Lands Act, section 12

INAC/93-15-L; INAC/95-8-O-L

To be Published in Canada Gazette March 5, 1997

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Seeds Regulations, amendment (Seed Potatoes) (SOR/97-118, OIC 1997-239)

The amendments introduce four major changes in the certification program for seed potatoes:

- the addition of nuclear stock as a class;
- the reduction of the level of mandatory testing for Bacterial Ring Rot;
- allowing an option for growing plant (stem) to be tested for Bacterial Ring Rot;
- the removal of duplication for testing of imported U.S. lots.

By recognizing nuclear stock as a class, the inspection and tuber tolerances for this material will be similar to those of other classes in the certification system. The use of internationally-standardized tags will allow for consistent domestic and foreign identification of nuclear class lots. The change allows the government to recover costs associated with the inspection and certification of nuclear stock.

The amendments reduce the level of mandatory testing for Bacterial Ring Rot (BRR), thereby-minimizing the increase in cost of production for seed potato growers. At present, all seed potato lots must be tested for the disease, except seed lots of Pre-Elite class, produced for the growers' use.

Because BRR is rarely found during testing, and other safeguards against the spread of the disease will remain in place, the government feels that a reduction in the amount of mandatory testing will not jeopardize the quality of Canadian seed potatoes.

Considering biological justification and marketing advantage, all lots of Elite II, Elite III, Elite IV and Foundation moving off the farm will be tested. Pre-Elite and Elite I classes will not be tested whether they leave the farm or not. Certified class cannot be planted on seed production farms. Farms moving less than two lots will be required to test at least two lots. Farms that have only one lot and wish to replant these potatoes will be required to have this lot tested (except Pre-Elite or Elite I).

Seeds Act

AGR/95-2-M

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The current regulations state that BRR testing involves only the collection and testing of harvested tubers. The regulation amendment will allow seed potato producers to choose between collecting stems of potato plants or submitting harvested tubers. By knowing the disease status prior to harvest, growers can make better decisions about harvest, storage and marketing.

Minor changes to the regulations include a change in name of Bacterial Ring Rot from *Corynebacterium sepedonicum* to *Clavibacter michiganensis* subsp. *sepedonicus*. Another is allowing slight variety mixture in first inspection in Pre-Elite and Elite I classes. There are also some editorial changes to prevent any misinterpretation of the regulations.

The proposed regulations were prepublished in the Canada Gazette on September 21, 1996 (See *Regulatory Affairs*, Vol. 2, No. 36, pp. 1-2, September 21, 1996).

Contact: Dr. J.E. Hollebone, Director, Plant Protection Division, Food Production and Inspection Branch, Agriculture and Agri-Food Canada, 59 Camelot Drive, Nepean, Ontario, K1A 0Y9. Tel: 613-952-8000; Fax: 613-991-9105.

The New Substances Notification Regulations, amendment (SOR/97-119, OIC 1997-240)

The amendment extends the requirement to perform a pre-import or pre-manufacture notification and assessment to new substances that are products of micro-organisms (biochemicals and biopolymers) and organisms.

The Regulations prescribe the process by which new substances will be notified to Environment Canada and the information requirements for each type of notification. Environment Canada and Health Canada use the information in the notification to assess whether the substance poses a potential risk. This assessment must be completed within the assessment period prescribed in the regulations and reach one of the following conclusions: the substance is not suspected of being toxic; the substance is suspected of being toxic; or the substance is determined to be toxic.

If the substance is suspected of being toxic, CEPA allows the Ministers the discretion to permit conditional manufacture or importation of the substance, request additional information, or to prohibit manufacture or importation of the substance.

Under the amendment, which comes into force September 1, 1997, anyone in Canada wishing to import or manufacture new substances that are organisms, biochemicals or biopolymers for uses that are not covered under other federal legislation must submit a notification to Environment Canada.

Notifiers of biochemicals and biopolymers will be subject to the same information requirements as those prescribed in Parts I and II of the NSN Regulations for chemicals and polymers plus additional requirements specified in Schedule XIV.

Organisms will be subject to information requirements listed in Part II.1 of the NSN Regulations, "New Substances that are Organisms". The notifier of a new microorganism must provide information as per Schedules XV to XVIII according to the proposed use. The information requirements may include biological properties of the micro-organism, pathogenicity data, ecotoxicity data, and descriptions of the proposed uses of the micro-organisms. Any new biotechnology products that are organisms other than micro-organisms and that are not regulated under other federal legislation will be subject to the information requirements listed in Schedule XIX, "Information Required in Respect of Organisms other than Micro-organisms".

Canadian Environmental Protection Act, subsections 32(1) and 87(2)

EC/95-9

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Further information to explain this amendment to the NSN Regulations may be found in the draft Guidelines for the *Notification of New Substances: Organisms and the draft Information Note: Reporting Biochemicals and Biopolymers under the New Substances Notification Regulations*.

The proposed amendments are designed to reduce the risks associated with the introduction of new organisms, biochemicals and biopolymers into the environment.

Manufacturers or importers are exempt from the reporting requirements if their proposed importation or manufacture is below the quantity triggers prescribed in the amendment to the NSN Regulations. Waivers of notification requirements may be sought in special cases, which are explained in the Guidelines.

The proposed amendment will ensure that the first screening of organisms, biochemicals and biopolymers occurs at the federal level. The federal regulatory framework for biotechnology ensures that there is no duplication or overlap between federal departments. Companies will continue to deal with the same agency that they have in the past.

Depending on the number of notifications received, the annual total incremental costs to the biochemical and biopolymer industry to comply with the proposed amendment are expected to be between \$135,000 and \$1-million.

The regulatory proposals were originally prepublished in the Canada Gazette, Part I on August 17, 1997 (see *Regulatory Affairs*, Vol. 2, No. 31, pp. 2-3, Aug. 17, 1996); at that time, they were proposed to come into force April 1, 1997.

Contacts: Lawrence Fedoruk, Commercial Chemicals Evaluation Branch, Department of the Environment, Hull, Quebec, K1A 0H3. Tel: 819-953-1671; Arthur Sheffield, Acting Director, Regulatory and Economic Assessment Branch, Regulatory Affairs and Program Integration Directorate, Department of the Environment, Hull, Quebec K1A 0H3. Tel: 819-953-1172

Canadian Aviation Regulations, Part II, Subpart 203 (SOR/97-120, OIC 1997-241)

The *Canadian Aviation Regulations, Part II, Subpart 3, Operation of a Leased Aircraft by a Non-Registered Owner* (CAR 203) and the associated *Standards Respecting the Operation of a Leased Aircraft by a Non-Registered Owner* replace the previous *Air Regulations, Series II, No. 3, Leased Aircraft Registration Regulations*.

The amendments are designed to improve the opportunity for the industry to arrange financially beneficial aircraft leasing operations without a reduction in safety. They are a part of the ongoing Transport Canada Safety and Security initiative to update the aviation safety rules and replace the existing *Air Regulations* and *Air Navigation Orders* with the new *Canadian Aviation Regulations* (CARs).

CAR 203, *Operation of a Leased Aircraft by a Non-Registered Owner*, will remove several restrictions on the conditions under which leasing operations between the holders of Canadian air operator certificates or Canadian flight training unit operator certificates will be authorized.

The regulations would distinguish between situations where both parties are holders of a Canadian air operator or flight training unit operator certificate and those where one party is a non-Canadian.

Aeronautics Act, S.C.
1992, c. 4, s. 7, Section
4.9

TC/96-4-F

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ada Gazette March 5,
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The differences in treatment between the two situations are designed to ensure foreign aircraft operated by a Canadian operator are maintained and operated to Canadian safety standards and also to ensure Canadian aircraft operated by a foreign operator are maintained to Canadian standards or their equivalent.

More specifically, CAR 203, and the associated *Standards Respecting the Operation of a Leased Aircraft by a Non-Registered Owner*, would allow the transfer of custody and control of aircraft during leasing operations, without cancellation of the certificate of registration which would otherwise occur.

The regulations would not apply where the aircraft is re-registered to the lessee. Under CARs subsection 202.35(3), the term “legal custody and control” is defined as “complete responsibility for the operation and maintenance of the aircraft”. Except as provided under CAR 203 (or when a regulatory exemption is granted by the Minister) the transfer of any part of the responsibilities entailed in legal custody and control will cancel the certificate of registration.

CAR 203 would allow for legal custody and control of an aircraft to be transferred to a lessee with the registration continuing in the name of the owner (lessor).

The regulations would define two classes of leasing operations:

- those between Canadian operators only, for which it is sufficient that Transport Canada be notified but no further departmental involvement is anticipated (the requirements for this class are in subsection 203.03(1)); and
- those that do not meet the criteria for simple notification but which will be authorized when general, predetermined conditions (as set forth in the standard) are met.

The first class of leasing operations is limited to transactions between Canadian operators only, whereas the second class may apply to transactions between two Canadian operators, between a Canadian lessee and a foreign lessor or between a foreign lessee and a Canadian lessor. It will remain open to operators to request a Ministerial exemption for any leasing operation not explicitly covered under these regulations.

The regulations were prepublished in the Canada Gazette, Part I, on July 20, 1996 (see Regulatory Affairs, Vol. 2, No. 29, pp. 2-4, July 20, 1996).

Contact: Chief, Regulatory Affairs (AARBH), Transport Canada Safety and Security, Civil Aviation, Place de Ville, Tower “C”, Ottawa, Ontario, K1A 0N8. Tel: 613-993-7284 or 1-800-305-2059; Fax: 613-990-1198.

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