

Tracking Federal Regulatory Initiatives

Regulatory Affairs

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Gasoline Regulations, amendment

The proposed regulations would allow an exemption, until December 31, 2002, for all competition (racing) vehicles from the restriction on the use of leaded gasoline.

The proposed regulations would also require every person, involved in the production, sale and importation of leaded racing gasoline destined for competition vehicles, to retain records and to submit an annual report providing information on total quantities of leaded racing gasoline used in Canada. The test methods used in the current regulations to measure concentration of lead and phosphorus would be updated.

The Minister of the Environment may consider further control action during the five-year exemption period if there is a significant increase in use of leaded fuels.

Contact: Lynne Patenaude, Commercial Chemicals Evaluation Branch, Toxics Pollution Prevention Directorate, Environmental Protection Service, Department of the Environment, Ottawa, Ontario, K1A 0H3. Tel: 819-953-1671; Arthur Sheffield, Regulatory and Economic Assessment Branch, Regulatory Affairs and Program Integration Directorate, Environmental Protection Service, Department of the Environment, Ottawa, Ontario, K1A 0H3. Tel: 819-953-1172.

Canadian Environmental Protection Act, subsection 46 and 47

Not included in Regulatory Plan

To be published in Canada Gazette October 25, 1997

Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

Statutory Authority & Regulatory Plan Listing

Atlantic Pilotage Tariff Regulations, 1996, amendment

The proposed changes to the regulations will increase certain pilotage tariffs for non-compulsory pilotage areas by 2.5% on January 1, 1998.

The rates affected are those set out in section 11 and Schedules I and VI of the regulations.

The port to port charge is to be increased by \$600 per occurrence, generating an estimated \$180,000 in revenue.

Also proposed are amendments relating to the charges for the use of a pilot boat, as well as for various miscellaneous charges (e.g., trial trips, compass adjustments, safety watches and cancellations).

The regulations would come into effect January 1, 1998.

Contact: Captain R. Anthony McGuiness, Chairman, Atlantic Pilotage Authority, Purdy's Wharf, Tower 1, Suite 1402, 1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2. Tel: 902-426-2550; Fax: 902-426-4004.

Establishment Licensing Fees Regulations (1056); Licensed Dealers for Controlled Drugs and Fees Regulations; Narcotic Control Regulations, amendment; Food and Drug Regulations, amendment

The proposed regulatory amendments would introduces fees for establishment licensing as part of Phase III of the federal government's drugs program cost recovery initiative; they would update fees for licensed dealers for controlled drugs and narcotics (these previously had been included in the proposed *Establishment Licensing Fees Regulations*). Also proposed are related consequential amendments to the *Narcotic Control Regulations* and to the *Food and Drug Regulations*.

The proposals were prepublished in Part I of the Canada Gazette on April 12, 1997 (see *Regulatory Affairs*, Vol. 3, No. 13, pp. 1-2, April 12, 1997); the regulations would come into effect January 1, 1998.

The latest proposals contain a number of revisions intended to deal with comments and concerns following the earlier prepublication. Among the many changes are:

- a cap on total fees of 1.5% of an applicant's gross revenues from sales, packaging, labelling, and testing of drugs (previous fiscal year); this would respond to concerns from smaller companies that the proposals could represent 3% or more of total sales and would therefore punish small companies.
- adjustments to the fee matrix to address concerns regarding risk management and the analysis component; fees for firms dealing schedule F and G drugs and narcotics have increased, with fees for firms dealing with lower risk products have decreased;
- the elimination of fees for dosage form changes except when a fabricator moves from a non-sterile to a sterile dosage form;
- clarification that fees would apply to a group of buildings, all of which are within 1 kilometre of each other and in which activities for specific categories of drug and dosage form classes are conducted;
- treatment of importation as a downstream activity of fabrication and packaging and labelling; the base fee for importation would still apply to an importer who does not fabricate or package and label;
- a reduction in the foreign site assessment fees;

Pilotage Act, section 33

TC/97-5-L

Published in Canada
Gazette October 18, 1997

*Controlled Drugs and
Substances Act*, subsection
55(1); *Financial
Administration Act*, sub-
section 23(2.1)

HC/96-1-M

Published in Canada
Gazette October 18, 1997

Proposed Regulations for Pre-Publication in Part I, Canada Gazette

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- the substitution of a certification of financial records relating to sales, testing and packaging and labelling of drugs, in place of the earlier proposal to require audited financial statements; the certification can be by a CGA, CMA and CA.
- the exemption from the non-application provision for public hospitals or public health institutions from fees when they sell drugs to their patients, to patients of other public hospitals or public health institutions, or to the institutions themselves;
- the removal of the application of dosage form class increments to the base fees or importers or distributors of final package products.

Contact: Chantal Trepanier, Risk Management and Regulatory Affairs Division, Bureau of Drug Policy and Coordination, Drugs Directorate, Health Protection Building, Address Locator 0702B1, Tunney's Pasture, Ottawa, Ontario, K1A 0L2. Tel: 613-957-0372; Fax: 613-941-6458; e-mail: chantal_trepanier@inet.hwc.ca.

Canadian Aviation Regulations (Part I), amendment

The proposed regulations would prohibit commercial aerial sight-seeing flights within the Québec/Jean Lesage International Airport control zone, including flights originating from the Saint-Augustin Lake, Quebec aerodrome, as of January 1, 1998.

The proposals would not affect commercial aerial sight-seeing flights originating from the Québec/Jean Lesage International Airport/ As well, private aircraft will continue to be allowed to operate from anywhere within the control zone.

The proposed restriction would apply to the area within a 13 kilometre radius from the Québec/Jean Lesage International Airport, with an extension of up to 18 km in the Lévis area.

The changes would prevent frequent low-level flights for aerial sight-seeing purposes over the built-up areas within the Québec/Jean Lesage International Airport control zone; they would also stop commercial passenger-carrying aerial sight-seeing flights from using the Saint-Augustin Lake aerodrome for take-offs or landings.

The proposals follow five years of consultations in connection with a dispute between air operators and municipalities. An earlier attempt to control the overflight problem with noise restrictions was not considered acceptable by municipalities.

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

Aeronautics Act, subsection 4.9

Not included in Regulatory Plan

Published in Canada Gazette October 18, 1997

Exempt from Pre-Publication and Approved

**Statutory Authority
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Health of Animals Regulations, amendment (SOR/97-478, OIC 1997-1519)

The changes allow: the importation, under a permit, of untested feeder cattle from certain parts of the U.S. into approved Canadian feedlots; the importation of sheep and goats from the U.S. under the provisions put in place for cattle in October, 1995; and simplify the wording of the regulations requiring that anyone collecting animal semen or operating an animal semen production centre must have a permit.

Restricted Canadian feedlots would be able to import feeder cattle without testing for anaplasmosis, bluetongue, brucellosis or tuberculosis.

Health of Animals Act, subsection 64(1)

Not included in Regulatory Plan

To be published in Canada Gazette November 12, 1997

Exempt from Pre-Publication and Approved

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The Agriculture Minister would not provide financial compensation should any of the four diseases, above, be detected in a restricted feedlot.

The relaxation of the import restrictions on feeder cattle is supported by cattle industry groups on both sides of the border.

Under the sheep and goat import changes, animals originating from low-risk states can be imported without bluetongue testing between October 15 and March 31 and animals from high-risk states imported between October 15 and January 15 would only have to be tested once. Sheep and goats from Hawaii and Alaska, which are recognized as free of bluetongue, would not have to be tested.

The Artificial Insemination changes would allow different levels of requirements for semen, with the requirements being stricter for semen destined for export and less strict for semen destined for domestic use.

Contact: Dr. P. Greenwood, Animal Health Division, Canadian Food Inspection Agency, Ottawa, Ontario, K1A 0Y9. Tel: 613-225-2342; Fax: 613-228-6630.

Order Respecting the Remission of Anti-Dumping and Countervailing Duties on Certain Specialty Sugar Products (SOR/97-479, OIC 1997-1523)

The remission Order reimburses all anti-dumping and countervailing duties assessed/collected on imports of specialty sugar products as defined in the Order, on or after the November 6, 1995 Canadian International Trade Tribunal (CITT) injury finding.

The remission also waives anti-dumping and countervailing duties that would otherwise be payable on imports of specialty sugar products as defined in the Order until such time as the remission Order is revoked.

The remission Order is intended to correct a technical anomaly in the list of goods excluded from the application of the CITT finding (CITT Inquiry No.: NQ-95-002), arising from the narrow description of some of the excluded goods. The remission would thereby allow imported goods which are, apart from the brand name, otherwise identical to some of the already excluded goods to also be excluded from the application of the finding.

The Order will assist certain importers of specialty sugar products who tend to be small firms serving a distinctive portion of the retail market.

The Order would remit an estimated \$15,000 in anti-dumping and countervailing duties already assessed/collected, as well as an estimated \$25,000 on a yearly basis that would otherwise be collected.

Contact: Dean Corno, International Trade Policy Division, Department of Finance, Ottawa, Ontario, K1A 0G5. Tel: 613-947-2086.

Order Respecting the Remission of Anti-Dumping Duties on Certain Hot-Dipped Galvannealed Steel Sheet for use in the Manufacture of Non-Exposed Motor Vehicle Parts (SOR/97-480, OIC 1997-1524)

The remission order would reimburse anti-dumping duties collected on imports of certain hot-dipped galvannealed steel sheet, coating weight 45/45 g/m², 1.0 mm thick by 101 mm wide by coil, 390 MPa/mm² hi-tensile, with a minimum elongation of 40%, used in the manufacture of non-exposed motor vehicle parts, from July 1, 1997 until the injury finding expires or is rescinded by the Canadian International Trade Tribunal (CITT).

Customs Tariff, section
101

FIN/97-13

To be published in Can-
ada Gazette November
12, 1997

Customs Tariff, section
101

FIN/97-13

To be published in Can-
ada Gazette November
12, 1997

Exempt from Pre-Publication and Approved

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Nissho Iwai Canada Ltd. currently imports 150 metric tonnes per year of certain hot-dipped galvanized steel sheet. This product is not currently available from Canadian sources and Canadian steel producers do not intend to provide this product in the near future.

The product is currently subject to a 155% anti-dumping duty rate. This remission of anti-dumping duties on this product would assist in improving the efficiency of Nissho Iwai's Canadian operations and provide cheaper inputs for the Canadian production of the CAMI J-car. Based on current annual import levels, this Order would remit an estimated \$14,800.00 in antidumping duties already assessed/collected for the month of July and an estimated \$17,800.00 annually in anti-dumping otherwise payable on future importation until the injury finding is expired or revoked by the CITT.

Contact: Patrick M. Saroli, International Trade Policy Division, Department of Finance, Ottawa, Ontario, K1A 0A6. Tel: 613-995-1965.

The Flower Group Inc. Remission Order (SOR/97-481, OIC 1997-1528)

This Order remits \$5,602.01 in customs duties to The Flower Group Inc.

Between February and December 1994, The Flower Group imported flowers and paid duty at the Most-Favoured-Nation Tariff (MFNT) rate of 12.5%. In early 1995 the company discovered that the flowers they had imported were entitled to the preferential United States Tariff (UST) duty rate of 4.9%.

The company then consulted Customs in January 1995 to determine how to process their claims for a refund of duties, and were advised erroneously, that they had up to two years from the time the goods were accounted for to file their refund claims.

When The Flower Group filed their claims for a refund in January 1996, Customs rejected the claims since they were beyond the one year statutory time limit for the filing of claims for preferential UST treatment.

The company would have qualified for a refund of a portion of the duties paid if it had not relied on erroneous information provided by the Department. This remission compensates The Flower Group for the amount of duties that would otherwise have been refunded.

Contact: Megan Clifford, A/Secretary, Interdepartmental Remission Committee, National Revenue, 6th Floor, Connaught Building, MacKenzie Avenue, Ottawa, Ontario, K1A 0L5. Tel: 613-952-7915.

Sonigem Products Inc. Remission Order (SOR/97-482, OIC 1997-1530)

This Order remits \$20,699.00 in customs duties, paid on importations of television sets, to Sonigem Products Inc.

Sonigem entered a contract with Schenker of Canada Ltd. to arrange for the routing and control of its cargo (13" television sets) from Port Klang, Malaysia with transshipment via the Port of Hong Kong (at the time a British country), and from there to be shipped directly to the Port of Vancouver, British Columbia. Schenker International secured passage of the company's cargo through an arrangement with Orient Overseas Container Line Inc. (OOCL). In a letter from Sonigem to Schenker of Canada Ltd., the company President stressed that it was critical that the goods be shipped directly from Malaysia with direct discharge at a Canadian port in order to qualify for British Preferential Tariff (BPT) treatment.

Customs Tariff, section
101

RC/R-32-L

To be published in Can-
ada Gazette November
12, 1997

Customs Tariff, section
101

RC/R-32-L

To be published in Can-
ada Gazette November
12, 1997

Exempt from Pre-Publication and Approved

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Through no fault of its own, the shipment was instead loaded on a vessel owned and operated by American President Lines, Ltd. (APL) destined for Seattle, Washington. The diversion to the APL ship line took place without consultation with or the consent of the importer or its agent. Consequently, the goods were assessed duties at the Most-Favoured Nation Tariff treatment on the television sets.

This Order compensates Sonigem for the amount of duties which the company had to absorb because the Revenue Department erred in its interpretation of the exemption order at a time when changes in departmental procedures respecting the processing of such refund claims may not have been communicated adequately.

Contact: Megan Clifford, A/Secretary, Interdepartmental Remission Committee, National Revenue, 6th Floor, Connaught Building, MacKenzie Avenue, Ottawa, Ontario, K1A 0L5. Tel: 613-952-7915.

Regulations Repealing Certain Regulations Made Under the Insurance Companies Act. Miscellaneous Amendment Regulations (Department of Finance and Office of the Superintendent of Financial Institutions) 1997-1 (SOR/97-484; OIC 1997-1537

Insurance Companies Act, subsection 666(4)

OSFI/97-5-I

The Regulations revoke two spent regulations that no longer have legal authority as a result of the promulgation of Bill C-82 (i.e., deletion of section 666 in the *Insurance Companies Act*): the *Investment Valuation (Canadian Companies) Regulations* and the *Investment Valuation (Foreign Companies) Regulations*.

Contact: Charles P. Johnston, Legislation Officer, Legislation and Precedents Division, Office of the Superintendent of Financial Institutions, 255 Albert Street, Ottawa, Ontario, K1A 0H2. Tel: 613-990-7472; Fax: 613-998-6716.

To be published in Canada Gazette November 12, 1997

Pre-Published and Approved No comments or changes

Statutory Authority & Regulatory Plan Listing

Assessment of Financial Institutions Regulations, 1996, amendment (SOR/97-483; OIC 1997-1535)

The amendments combine Life Insurance Companies and Fraternal Benefit Societies into one pool and leave property and casualty insurance companies in a separate pool, starting in fiscal year 1996-97, for the purpose of tracking costs of the Office of the Superintendent of Financial Institutions (OSFI) in supervising these financial institutions and assessing charges for these costs against them.

The amendments also permit OSFI to ascertain the incurred expenses for administering the *Investment Companies Act* and to collect the final assessment for investment companies for the period April 1, 1995 to July 31, 1996, as well as the average total assets during the 1994 calendar period for each investment company, notwithstanding the fact that the *Act* was repealed as of July 31, 1996.

In addition to correcting the calculation of the maximum withdrawal, the amendment also will result in a definition of the maximum annual withdrawal which is consistent with the formula in effect in most other jurisdictions. The proposed amendment was prepublished in the Canada Gazette, Part I, on June 14, 1997 (see *Regulatory Affairs*, Vol. 3, No. 22, pp. 2-3, June 14, 1997); the change comes into effect September 17, 1997.

Office of the Superintendent of Financial Institutions Act, subsection 23(3); *An Act to amend, enact and repeal certain laws relating to financial institutions*, subsection 110(3)

OSFI/97-5-I

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Statutory Authority
&
Regulatory Plan Listing

Contact: Glenn McAllister, Assistant Actuary, Office of the Superintendent of Financial Institutions, 255 Albert Street, Ottawa, Ont., K1A 0H2. Tel: 613-990-8055; Fax: 613-993-7394.

Ministerial Orders Approved

Statutory Authority
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Regulatory Plan Listing

Excise Warehousing Departmental Regulations (SOR/97-474)

This amendment will ensure that the operations of a new category of bonding warehouse (introduced by amendments to the *Excise Act*) will be secured by the guarantee bond that must be posted as a condition of the licensing process, as is the case with other warehouses.

The changes to the Act extended licensing of bonding warehouses to persons authorized by a licensed tobacco or cigar manufacturer to distribute to accredited representatives. The change also replaces all references to Regional Director with the term "superior officer", which is defined in the Act. The amendment will also allow distillers to ship small samples of spirit on a duty free basis.

Contact: Bill Anderson, Project Officer, Excise Duties and Taxes Directorate, Legislative and Regulatory Affairs, Revenue Canada, Vanier Towers, Tower "C", 7th Floor, Vanier, Ontario, K1N 0L5. Tel: 613-957-7593; Fax: 613-954-2226.

Excise Act, subsection 58(1), section 127.1 and subsection 150(1)

Not included in Regulatory Plan

To be published in Canada Gazette October 29, 1997

Rules of the Supreme Court of Canada, amendment (SOR/97-476)

The amendment amends Rules 33 to 36 (Appellant's Record and Respondent's Record, amends Rule 45, substitutes a new Form B.4 under Rule 45 and a new Form E under Rule 33, and amends subsection 11(4), paragraph 21(1)(b) and subsection 32(5). The new Rules come into effect October 17, 1997.

Supreme Court Act, sections 97

Not included in Regulatory Plan

To be published in Canada Gazette October 29, 1997

New Brunswick Criminal Appeal Rule 63 with Respect to Criminal Appeals to the Court of Appeal, amendment (SI/97-125)

The amendment substitutes "the clerk of the judicial district in which the proceeding was commenced" for "the Chief Court Reporter" in Rule 63.07, paragraphs (1) and (2). It also substitutes "the court reporter" for "the Chief Court Reporter" in paragraph 7.

Criminal Code, sections 482

Not included in Regulatory Plan

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