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## **Standing Committee on International Trade**

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**EVIDENCE**

**Thursday, September 22, 2016**

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**Chair**

**The Honourable Mark Eyking**



## Standing Committee on International Trade

Thursday, September 22, 2016

• (1105)

[English]

**The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):** I call the meeting to order.

Good morning, everybody. Welcome back.

We are going to continue with our study on the TPP and the challenges and the opportunities that the TPP gives to Canadians.

Welcome to the crew from Yellowknife.

Just to give you a little update, we've been travelling the country since last year. We did most of the provinces. We still have Atlantic Canada to do next week. We will do the territories—you guys—today, and we will probably hear from the Yukon and maybe some others from the territories, some mining associations, and different groups. Sometime in October we will be finishing our study and will probably be presenting to Parliament next year.

That said, welcome. You were already briefed on how we proceed. We have members of Parliament here from all parts of the country and we will hear your submissions. If you can keep them to five minutes, we would appreciate it, then we will have lots of time for a dialogue with you.

My name is Mark Eyking. I'm the chair.

We are good to go. Who wants to start? Maybe it could be the Canadian Association of Physicians for the Environment. Courtney, do you want to go ahead?

**Dr. Courtney Howard (Climate-Health Lead Board Member, Canadian Association of Physicians for the Environment):** Sure.

**The Chair:** Thank you and welcome.

**Dr. Courtney Howard:** Thank you for having us speak.

My name is Dr. Courtney Howard. I am the climate-health board lead for the Canadian Association of Physicians for the Environment, otherwise known as CAPE. CAPE is Canada's only physicians' education and advocacy organization that is committed to protecting the health of people by protecting the planet. I'm also an emergency physician here in Yellowknife.

I received the invitation to speak only about three days ago, so this analysis does not represent my having read 6,000 pages of text. It represents a literature review of what the public health community has written about this issue in the peer-reviewed literature and some discussions with some of the lead authors, as well as looking at that information through the lens of environmental health.

The first thing to understand—this wasn't clear to me when I was going through medical school—is that the social and ecological determinants of health actually have a much greater impact on people's overall health status than does the health care system. I can assure you that when I figured that out, after having spent 12 years becoming a doctor, I was a little bit frustrated, which is why I now do this work. What it means is that anything that impacts determinants of health—such as water, food, the ability to have housing, and income—have a much bigger proportion of impact on overall health status than anything I do, unfortunately, in the hospital.

For CAPE and for myself and for the international medical community now, of all the things that could impact health, the main focus has become climate change and health. The World Health Organization now calls climate change the biggest health threat of the 21st century. In 2015 the *Lancet* second commission on climate change and health said that tackling climate change was the biggest public health opportunity of the 21st century. The Canadian Medical Association recently recognized this by making climate change a focus of its recent CMA general council in Vancouver. The keynote speaker, Dr. James Orbinski, who accepted the Nobel Peace Prize on behalf of Doctors Without Borders, said that without an intact ecosystem, there's no chance that humans can thrive. In fact, Dr. Orbinski now does research on climate change up here with us in Yellowknife, on wildfires.

This is now CAPE's main focus, and we have concerns about the impact of TPP. Here in Yellowknife, we're already 2°C over our temperatures in the 1950s, and in Inuvik they're already over 3°C. This is a fact of life. There are workmen at my house right now, unfortunately, working on my foundation; I sit on permafrost, and it's all going like....

This has major consequences for respiratory health from wildfires. There have been evacuations, as you know. Lyme disease is spreading across Canada. Our population is experiencing unstable ice conditions. We're already having trouble dealing with what we have going on, including malnutrition across the world. I spent six months working on a pediatric malnutrition project in the Horn of Africa. I can tell you, unfortunately, that the deaths are real. The WHO anticipates having an additional 250,000 deaths per year from climate change between 2030 and 2050. That's actually considered by most in the public health world to be a vast underestimate.

In terms of the TPP, we know that we need to leave at least 80% of fossil fuel reserves in the ground to have a hope of staying below 2° C. NAFTA contains, as does the TPP, investor-state dispute settlement provisions that allow corporations to sue governments for a change in regulation. Under NAFTA, we've already seen TransCanada Corporation seeking US\$50 billion in damages after the U.S. rejected Keystone XL. We've seen Lone Pine Resources suing the Government of Canada subsequent to the decision in Quebec to stop fracking in the St. Lawrence area. We can anticipate similar things here.

We require, to give Canadians a soft landing on climate change, a full-scale low-carbon transition and a laser-like focus on things like clean water, food security, and pharmaceutical security. Public health needs to be our main focus, and if trade provisions get in the way, it's a problem.

• (1110)

It must be recognized that all mitigation and adaptation manoeuvres are public health measures, but the TPP chapter that potentially says that if trade isn't a priority means we can be open to the investor state legislation. Unfortunately, the public health exceptions under the WTO dispute system have only been successful one out of every 43 times. If the public health exceptions were effective, why is there a particular exception for tobacco?

Clearly, people other than us are worried that the public health exceptions, as written into the agreement, are not adequate.

Additionally, the increased patent expiration and the—

**The Chair:** If you could wrap up your comments, then we can go ahead.

**Dr. Courtney Howard:** The patent term adjustments and the loosening of terms for the repatenting of existing drugs are also a concern to us because the public health burden is going to get bigger.

The fact that lawyers are the people who are going to be adjudicating any dispute is a huge problem. Do they have any knowledge of public health whatsoever? Who chooses them?

Given that the ecological determinants of health are more important to health than anything that happens in the hospital, if your mom were diagnosed with cancer, would you leave the decision about her treatment to a lawyer? If you wouldn't, then it makes no sense to ratify this agreement as it's currently written.

**The Chair:** Thank you, Courtney.

We're going to move on to Craig.

Go ahead, for five minutes, sir.

**Mr. Craig Yeo (As an Individual):** Good morning. My name is Craig Yeo, and I am a citizen presenter. I am also a member of the Council of Canadians and a local advocacy group, Alternatives North. I am generally presenting their positions, but I am also appearing as a citizen on my own behalf.

I have filed a brief, which contains some detailed information or presentations of position, largely on the democratic process. I had thought that I would simply read that into the record, but I thought about it overnight. I thought that I am appearing here as a human being, and this may be a little gut level, but I'd like to simply make

some remarks on why I'm so concerned about this issue, and that's largely the democratic process.

When I look at governments, as a citizen I think that the role of government is, among other things, to protect the weak from the mighty and to provide the basic services that are necessary for people to prosper, such as clean water and health and democratic rights.

I am always flabbergasted when I look at these agreements and see that the government, in my opinion, has negotiated away its right to preserve and safeguard these things. In many ways, Canada has been very successful in doing these things over the years. We have good pension plans and we have developed some good environmental protections and public health care and other things.

As the neoliberal agenda and the transnationalization of corporations have progressed, as I see it, there's been some concern at the corporate level about this, because these things cost money: if you can't dump mercury into the French or Wabigoon river system anymore, it's going to cost you more money to be in business.

That's what corporations do. It's not their fault; that's their job, and the job of governments is to protect the commons against those things where it's reasonable. As I say, Canada has done these things fairly successfully in the past.

When corporations reached this point in the last 20 or 30 years, they wondered how they were going to get around this and how they were going to control these impacts on their profitability. Obviously you can't run a law through the legislature, in the fresh air of the day, saying that if the government does anything like increasing employee contributions to pension premiums or health care programs, then they're going to have to pay a corporation for the money they lost. Even in a non-vigilant democracy, that doesn't pass the good smell test.

How do you get around this? You get governments elected that share a corporate agenda, and then you give them a mandate to go behind closed doors and negotiate agreements without public review, without openness of negotiations, that are signed even before the details of the agreements are made known, and then run through the public process.

I do applaud the Liberal government for taking these on the road and bringing some light and air into this process, but still what has resulted in these cases is agreements that are not subject to review by the courts. The governments have given away their ability to maintain their supremacy under the Constitution to pass progressive legislation and not be penalized for it down the road.

As Courtney Howard mentioned, Lone Pine Resources is a primary example. The Government of Quebec is concerned about fracking. They didn't ban it, but they want to take a look at it. This is affecting the profitability of the corporation.

I'm very dismayed that governments would do such things, and it's not just the current government. They have parcelled out our democratic rights for decades into the future and handcuffed the ability of governments to take progressive measures for the prosperity, the well-being, and the rights of their citizens.

I know that the Conservative members of the committee are probably much in favour of this agreement, and then there's the Liberal doctrine that these agreements will go ahead. I don't have much confidence that this is going to be changed.

Even in Europe, as we're seeing with CETA, one of the primary kickbacks and the reason they're considering addenda and rewriting some sections of CETA is they just can't get the investor state dispute settlement provisions past the electorate there. People have come out in legions, unlike Canada, to condemn them.

• (1115)

I do condemn them. I ask you to please safeguard the supremacy of my democracy and your ability to legislate and exert authority for the well-being of the citizenry by returning a recommendation that the ISDS provisions are unacceptable and should be reviewed.

**The Chair:** Thank you both for your submissions.

We're going to have a dialogue with the MPs here. Each is going to have five minutes, and we're going to start off with the Conservatives.

Mr. Van Kesteren, you have five minutes. Go ahead.

**Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC):** Thank you, Mr. Chair.

Thank you both for appearing here. It's been a while since I've been to beautiful Yellowknife. The last time I was there, my wife asked me if I saw the northern lights, and I told her I'd gone to bed early. I'm still bitter about that and I hope to visit again one of these days and to have that experience again.

I listened with interest, and I think I want to go to you, Mr. Yeo.

These are concerns that, frankly, we've heard repeatedly. You correctly assume that most Conservatives think this is a good idea. I get the impression that most Liberals think it's a good idea too. You must understand that these MPs, I think on both sides of the house, aren't those who have been swallowed up by big corporations and are doing their bidding—far from it.

I'm a businessman myself, a small business man. I come from humble roots, and my roots are still my roots. I certainly am not a shill for corporations. We listen to these things with interest because they are of concern, but I must tell you that we've had the opportunity to cross the country and that for the most part, aside from groups such as your own, when we talk to small and medium-sized businesses, they tell us that these things are important. They're important because free trade offers opportunity. It offers opportunity to Canadians, but it also offers opportunities to other countries.

I gave a speech in the House the day before yesterday. I talked about Korea and how, in the early 1970s, it was one of the poorest nations on earth. Because of trade, because of the free market system, it has risen to become one of the biggest powerhouses in Asia today.

I just want to throw this idea back to you. I want you to explain to the small and medium-sized businesses where they are wrong in their thinking, and why moving progressively forward to expand trade throughout the globe is a bad idea.

**Mr. Craig Yeo:** I don't think that's exactly a fair characterization. I don't think that the opposition, principally to the ISDS provisions, is in contradiction to the interests of small businesses or large businesses. I think that there are babies and there's bathwater. You don't assume that the agreement is of whole cloth and that all of its provisions are good simply because they promote trade. I have not thoroughly signed on to the notion that these are actually trade agreements; they are investor-state agreements and protection for investors. I don't see why we should have provisions that prevent government from taking progressive measures.

Again, I go back to Lone Pine as a classic example. That may be promoting trade, but at what cost to Canadians? These things should not go ahead holus-bolus without government control of what the nature of that trade and investment will be.

**Mr. Dave Van Kesteren:** Do you agree, though, that trade and the free market system have lifted millions of people from poverty, and that the free flow of goods between borders and across borders has enabled that to grow, not just for North Americans but for other countries? I named one, Asia, but I could go on and on. Don't you think that those principles are good principles that we should pursue, and then we need to put rules in place so that we can do that in an orderly fashion that protects people?

• (1120)

**Mr. Craig Yeo:** Yes, but again you're characterizing it as grail growth and an ideal that is unfettered. What we have seen with the growth of trade and the increase in global economic activity is the development of a catastrophic situation of climate change and a threat to the very ecological future of the planet. That has been a consequence of the increase in trade that is unfettered and uncontrolled when governments lack effective measures to control it.

I can't support that.

**The Chair:** We're going to move on to the Liberals now.

Mr. Dhaliwal, you have five minutes.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Thank you, Mr. Chair.

Thank you to Mr. Yeo and Dr. Howard.

Dr. Howard, thank you for the work that you're doing, not only in your profession but also in your advocacy for the environment. I totally understand. It's very difficult when things hit home. Last October, my dad died of COPD. He had never smoked all his life. Climate change is a key concern and focus for our government.

I would like to ask both of you this question. When we lessen the trade barriers, wouldn't it affect the lifestyle on the northern part of Canada, making it more affordable?

**Dr. Courtney Howard:** I think that there are so many variables that it would be very difficult for us to answer that question adequately. When Minister McKenna came up here, she said that in the south, climate change is an inconvenience; up here, it's impacting our whole life. She said that after meeting with our aboriginal leaders in the afternoon. Nebulous trade.... Our roads are actually melting. The ice roads are melting. Our all-weather roads are going ding-a-ding-a-ding. In many of our small communities, the airport tarmac itself is almost unusable and requires much more money in terms of repair, so it's impossible for me to overstate the extent to which action on climate change is a priority to northerners, because the cost of adaptation is huge. I have already spent \$50,000 on my foundation. That's me. This is a one-person house. Can you imagine what it is on a territorial scale?

Therefore, any small decrease in the cost of goods as a result of increased trade is nothing compared to the impact that climate change will have on us if we do not make it an absolute priority.

•(1125)

**Mr. Craig Yeo:** I go back to the same comments I basically made before. Affordability and standards of living are an issue. We can improve affordability greatly by eliminating all environmental controls and allowing me to dump my toxic waste in the corner, but we don't do that. We regulate.

The authority and the ability of government to regulate and not be penalized for controls that diminish profitability are essential. I see these agreements as trading away government's ability to do that. We can pass laws, but then, if governments are paying multi-million-dollar settlements for their actions, these actions of government are effectively neutralized. That's what these agreements do.

The answer is not affordability at any price. That's what we have now, and look where we are.

**Mr. Sukh Dhaliwal:** Dr. Howard, you mentioned Minister McKenna, and you met her in Paris as well. What was her reception towards your presentation there?

**Dr. Courtney Howard:** You know, I really found her to be very receptive and I feel that she's really listening and probably understands the health impact of climate change better than most of the doctors in Canada right now. I feel she understands that a lot of the things that will improve climate change in terms of phasing out coal plants and that kind of thing. They have real-time public health benefits in terms of decreasing COPD exacerbation and asthma exacerbations that affect real Canadians.

I feel as though there's a strong willingness within the Liberal government to work on that. I have read quite a few peer-reviewed studies and I spoke with Canada's public health expert on the TPP yesterday on the phone, and he reviewed my submission. I'm not sure that your government has reviewed the TPP cross-referencing with what needs to happen to have a healthy response to climate change, but there are major barriers there that are going to stop what you're actually trying to do.

I wouldn't blame you for not having reviewed that, because I don't think any physician in Canada had until I did so yesterday. I think there's a real integration issue in that this may be at cross-purposes with what is happening in the climate and health realms.

**Mr. Sukh Dhaliwal:** Mr. Yeo, do you see any alternative to the—

**The Chair:** Sorry; you only have a few seconds left.

**Mr. Sukh Dhaliwal:** I'll pass, then. Thank you, Mr. Chair.

**The Chair:** Okay. I didn't want you to start on a roll and have to cut you off.

**Mr. Sukh Dhaliwal:** You already cut me off, Mr. Chair.

**Voices:** Oh, oh!

**The Chair:** I was just giving you a heads-up.

We're going to move on to the NDP now.

Ms. Ramsey, you have five minutes.

**Ms. Tracey Ramsey (Essex, NDP):** Thank you both so much for your presentations.

Dr. Howard, I think what you've just put into words is exactly what I've been saying at this committee: that while there's a commitment to honour what was signed on to in Paris and to look at the way we can improve climate change for all Canadians, ultimately the TPP threatens that.

We've had Jacqueline Wilson here. She's an environmental lawyer. She's broken down the chapters in the TPP and, ironically, in the original version of the TPP, there was actually climate change action that was included in the text. We see in the final text that it's all been eliminated and that the language is extremely weak in the environmental chapter.

I share your concerns that we won't be able to implement anything because there isn't an ability to do so in signing the TPP. Because you're coming to us from the Northwest Territories, I would like to hear more about the impact on the ability of your communities to not be able to legislate to protect your environment.

Certainly public health is included in that as well, but you're speaking to us about the environment today and the concerns around the ISDS which, by the way, nearly every Canadian shares. When you talk to average Canadians, one of the main things that they point out is the ISDS provision and their deep concern that it will tie all of our hands as legislators.

Can you speak to the impacts in the Northwest Territories on your communities if you will not be able to legislate in that way because you'll be under threat of being sued?

**Dr. Courtney Howard:** Are you asking me or Craig?

**Ms. Tracey Ramsey:** Either one of you. You mentioned a few things, such as your roads and things that need to be repaired already because of climate change. What else would you be looking for protection to regulate and legislate for in the north that the ISDS could potentially cause you to be sued for if you do that?

•(1130)

**Dr. Courtney Howard:** Well, fracking is an issue up there. We had some test wells drilled two or three years ago. At the time there was no public health input whatsoever. About 80% of the studies that have ever been done on fracking have been done since 2013, so they are now in the peer-reviewed literature. Of the ones that have been done on health, 84% of them show red flags. That just shows how quickly evidence progresses.

We see in this agreement that there is an exclusion for tobacco. You can opt into an exclusion for tobacco, and meanwhile we're saying that there are other public health protections. If there are public health protections within the agreement, why do we need an exclusion for tobacco?

I'm really worried that as the evidence progresses, different things turn out to be public health problems every day. Glyphosate is under scrutiny, and BPA, and all the fracking chemicals. We've only just started doing toxicological analyses of them. We've only just started in the last two years, and we're already fracking. The threat to human health is huge.

I could easily see the N.W.T. coming up with fracking legislation in the same way that they did in Quebec, and that could potentially cause problems. Lawyers are trying to decide whether that's sort of a justifiable public health measure, but who's going to brief them? Who's going to teach them the evidence? Who's paying them? If the agreement has such major consequences for health and health people aren't involved, is it really a trade agreement or is it a health agreement?

To me, having spent this much time going to medical school to learn about health, to think of lawyers adjudicating whether or not something is good for health...I mean, really? We're going to sign on to that? That doesn't make any sense to me.

**Ms. Tracey Ramsey:** The UN Secretary-General's high-level panel on access to medicines released a report last week, and it highlights the fact that the TPP and similar trade agreements that increase intellectual property protection and enforcement endanger countries' efforts to ensure access to medicines and other health technologies.

**Dr. Courtney Howard:** Yes, absolutely.

I've also worked with Doctors Without Borders and I believe they have spoken to the panel on this same issue. This is forecast to increase drug prices in Canada. It may pose a problem if we ever try to bring pharmacare through.

Globally, we're already seeing population displacement out of the Syrian conflict that has to do with climate change. We're only going to see more of that. We are going to have more displaced populations. We're going to see more fights over food and water, and when guy number one goes to place number two, that's how TB gets transmitted and that's how Ebola spreads. That's how we've seen different viruses melting and emerging. People get put into contact with animals, and viruses are transmitted. We're going to see more diseases.

We're going to need to be able to respond really quickly to them and we're going to need to be able to provide medicines affordably to different populations here and abroad, and this agreement would

limit our ability to do that. I don't see why we would sign on to something that limits our ability to have a health response.

**Mr. Craig Yeo:** Can I speak to that briefly as well?

**The Chair:** No; you will have a chance in a second, sir. We are going to move on to the Liberals, and you might have a chance to have your comments in that segment.

We are going to move on to the last questioner, the last MP on this section.

Madame Lapointe, you have five minutes.

[*Translation*]

**Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** Thank you, Mr. Chair.

I would like to welcome the witnesses who are here with us today.

I know that your main concerns pertain to climate change. Should we have the opportunity to return to negotiations, what in your opinion could be changed to make the Transpacific Partnership Agreement, the TPP, acceptable?

[*English*]

**Dr. Courtney Howard:** The public health doctors who have written the most about this ask why the exclusion given to tobacco wasn't given to other public health measures. I will quote one of the papers by Labonté and Ruckert: "Why was this exclusion [the tobacco exclusion] not extended to all non-discriminatory public health measures a country might adopt?" I think that would be an important thing to include.

I also think it would be very important.... The notion of lawyers deciding which public health measures are legitimate makes no sense. It is important to realize that the precautionary principle may mean that a legitimate public health measure is one in which evidence is still absent—we think there is a problem, but we are not sure. That needs to be legitimate under the TPP.

•(1135)

**Mr. Craig Yeo:** To respond to the question about alternative measures and perhaps to the Liberal member's question about how this would be replaced, I fundamentally do not understand why we need provisions to provide compensation to risk capitalists for changes in the capital environment, in the operating environment. This is risk capitalism, and if governments decide that there are new priorities as new conditions emerge, they need to be able to deal with those and not compensate people whose business model has become obsolete.

I wonder if I could also respond in part to the previous question about northern conditions that was directed to the NDP member.

**Ms. Linda Lapointe:** Sir, I have to stop you because I would like to share my time with Karen Ludwig, please.

[*Translation*]

Thank you.

[*English*]

**Ms. Karen Ludwig (New Brunswick Southwest, Lib.):** Thank you both for your presentations. It is very interesting listening to the voices of people from the north about the experiences there.

My question is for Dr. Howard. It was not long ago that we had a witness from the Canadian Nurses Association. She too stressed the significance of health in terms of trade. What was really clear in her presentation was the importance of the social determinants of health. In what you presented here today, you mentioned social and ecological determinants of health, such as water, food, housing, and education. Are you involved at all with the health authority in the north, focusing on those social determinants of health in terms of making improvements?

**Dr. Courtney Howard:** I do work quite closely with them. I have been doing a study on wildfires. We had a terrible wildfire season up here in 2014, which meant that we were basically fogged in by smoke for almost two and a half months. That study was in association with our territorial epidemiologist as well as the public health officers, the chief officers of health. When there are discussions on climate change, they usually get me to do the speaking and give the input because I have the most expertise in the area.

I am becoming involved in a food charter initiative, emphasizing food security here in the north, because that is a real issue. Also, there is the environment. That's what this is. I think today is bike-to-work day, and they are using one of my handouts for bike-to-work day.

So yes, I am involved.

**Ms. Karen Ludwig:** The other aspect is life expectancy. If we look statistically at countries that are involved with international trade over a 20- or 25- or 30-year trend, we see that there tends to be a higher life expectancy as well as a higher quality of life. What would you say to the other witnesses who have come before the committee and have talked about the significance of the life expectancy in other signatory countries?

As well, there is the significance of trade for businesses. If they were not involved with trade, how would we pay for innovations in climate change or look at different changes and opportunities to help improve the quality of life in the north?

**The Chair:** You'll have to be quick with your answer.

**Dr. Courtney Howard:** I'll again quote from Labonté and Ruckert, who had stats in their study—I don't have them in my notes—basically showing that most analyses of the TPP show that it will only improve the GDP by a tiny, tiny percentage in most countries. I think there was one exception, and that might have been Vietnam. It wasn't even going to be very good for trade. Their conclusion, which I do have in front of me, states: "More importantly, there is no evidence that the TPP will substantively benefit most workers in most TPP countries."

You're right in that economics is usually considered to be one of the primary determinants of health, so if the economic benefits were large, they could potentially increase health and maybe lifespan, but the analyses in the academic literature do not show that the TPP will be substantially beneficial, even from a trade or economic perspective.

**The Chair:** Thank you.

That wraps up the time for questions, although we still have a minute or so here.

Mr. Yeo, you had something that was on your mind that you wanted to say. Go ahead and finish your thought.

• (1140)

**Mr. Craig Yeo:** It goes back to the NDP member's comment about conditions in the north. This is Canada-wide, but we do have a very high proportion of aboriginal people in the north who enjoy section 35 rights. Canada recently signed on to the UN Declaration on the Rights of Indigenous Peoples, which requires free, prior, and informed consent on the actions of government that may affect their interests.

Here the ability of government to honour its constitutional obligations under section 35 and meet the UNDRIP requirements is undermined again. They may meet these, but if there's a penalty under ISDS provisions for having met those duties, then again we're undermining the supremacy of Parliament in meeting its legal and constitutional obligations. It's unacceptable.

**Dr. Courtney Howard:** Yes. That's a good point. I wholeheartedly agree with that.

**The Chair:** I thank you both for joining us here this morning from Yellowknife and giving your comments. There were good questions from the MPs here.

We'll suspend for a few minutes. When we come back, we'll deal with Bill C-13, which was given to us from the House yesterday.

Thank you again.

• (1140)

(Pause)

• (1145)

**The Chair:** We'll get started again.

As I alluded to before we suspended, Bill C-13 has been put in front of us. The bill is going to change six acts, and it deals with the World Trade Organization, WTO.

We appreciate the officials coming here today to give us a snapshot. We have heard some of the changes and the implications in the House, but we'll get it right from you, if you'll give us 10, 15, or 20 minutes, or whatever time you need to explain what this is all about, where it comes from, and how it changes what we have to do here. We're going to be dealing with this clause by clause in a future meeting, but it would be good for the parliamentarians here to have an understanding of this bill.

The floor is yours. Again, thank you for coming. Use your time the way you want.

**Mr. David Usher (Director General, Trade Negotiations, Global Affairs Canada):** Thank you, Mr. Chair.

Good morning, committee members.

My name is David Usher, and I'm the director general for trade negotiations at Global Affairs Canada.

[Translation]

It is a real pleasure to be here today to speak about Bill C-13. This bill is required for Canada to implement the World Trade Organization's Trade Facilitation Agreement, which I will refer to as the TFA.

[English]

I'm joined today by colleagues from Health Canada and Environment and Climate Change Canada. If I may, Chair, I will quickly introduce them. Jason Flint, director general, policy, communications and regulatory affairs, and Kim Dayman-Rutkus, director of the centre for regulatory and compliance strategies, are both from Health Canada; Sara Neamtz, acting executive director, legislative governance, is from Environment and Climate Change Canada.

I hope they will be able to provide you with answers to specific questions that you might have regarding elements of Bill C-13 in areas related to the mandates of their ministries.

My remarks will cover two main issues. I'd like to start by providing an overview of the provisions of the Trade Facilitation Agreement and the effects of the TFA on merchandise trade; then I will explain why enacting Bill C-13 is required to allow Canada to ratify the TFA. Obviously I and my colleagues will be pleased to answer any questions you might have following my presentation.

First, on trade facilitation, in the context of trade agreements we're talking about simplifying, harmonizing, and standardizing procedures and measures that cover the movement of goods across national borders. In Canada this generally covers policies and measures implemented by the Canada Border Services Agency and other federal departments that operate at the border, such as Health Canada and Environment and Climate Change Canada.

● (1150)

[Translation]

The TFA is designed to make merchandise trade faster, cheaper and more predictable. The lack of transparency, multiple documentation requirements, and lengthy clearance processes increase trade costs. Global value chains, just-in-time delivery systems, e-commerce, and the fast nature of transactions today require quick and reliable border crossing and clearance processes.

[English]

Since simplified trade procedures benefit all traders and generate positive effects when more countries participate in such an agreement, trade facilitation reform is best done when many countries are dealing with it on a multilateral basis. This is why the WTO TFA helps to provide a global foundation that will extend trade modernization and facilitation worldwide and ensure maximum benefits to traders once it enters into force.

[Translation]

WTO negotiations towards the TFA concluded in December 2013. The idea of the negotiations goes back to 1996 and they began in 2001.

This major accomplishment was a win for the global trading community and for the WTO. The TFA develops global trade rules to expedite the movement, release, and clearance of goods.

[English]

Now, this agreement will have substantive economic effects. The World Trade Organization estimates that when the TFA is fully implemented by all WTO members, it could reduce trade costs by an

average of 14%, including an average reduction of nearly 17% for least developed countries. It's expected that global merchandise exports could go up by up to \$1 trillion. I think these are probably U.S. dollars, given that it's the WTO that did the study. Of that amount, up to \$730 billion of the export gains will go to developing countries in particular, because the agreement will facilitate trade between them. These are important benefits, and they are especially important in a time when the global economy is slowing.

For Canada the benefits are expected to be most significant for our exporters, Canadian small and medium-sized enterprises that may not have the resources to comply with complex systems at the customs in foreign markets and for whom trade costs are therefore disproportionately high.

[Translation]

The TFA will enter into force once ratified by two-thirds of WTO members. So far, 92 of the required 110 WTO members have ratified the TFA. Canada's major trade partners, such as the U.S., EU, China, and Japan have already ratified it.

At the G20 Leaders' Summit in China this past September, the Prime Minister committed that Canada would ratify the TFA by the end of 2016. Canada would be joining the growing international consensus on this matter.

[English]

Let me now explain the link between the bill in front of you today, Bill C-13, and the TFA.

Canada is already compliant with the vast majority of the TFA provisions. In other words, the customs procedures and the measures that are applied by the CBSA and other federal departments like those we have with us today are already largely consistent with the obligations under the TFA. However, there are two provisions of the TFA where legislative amendments to Canadian statutes are required for Canada to comply with the obligations in the TFA.

● (1155)

[Translation]

Generally speaking, Bill C-13 will allow Canada to implement the TFA, while maintaining safeguards on the health and safety of Canadians and the environment.

As you stated, Mr. Chair, more specifically, Canada requires amendments to six Canadian statutes, which fall under the responsibility of Health Canada and Environment and Climate Change Canada, in order to ensure compliance with the TFA. Bill C-13 will lead to greater consistency in how goods are treated at the border and facilitate the transit of goods through Canada.

[English]

More specifically, Bill C-13 deals with two specific TFA provisions: article 10.8.1, which deals with the treatment of non-compliant goods rejected at the border, and article 11.8, which deals with goods in transit.

Let me speak first about article 10.8.1 of the TFA. The amendments being proposed in Bill C-13 would give Canada the necessary authority to take action regarding goods that are shipped to Canada but are non-compliant with our technical regulations. Possible actions dealing with those goods could include returning them, reconsigning them, seizing them, or disposing of these goods as necessary.

Turning to article 11.8 of the TFA, the amendments proposed in Bill C-13 would give Canada the necessary authority to allow Health Canada and Environment and Climate Change Canada to exempt goods in transit from certain Canadian technical regulations. These goods are not destined to enter commerce in Canada.

[Translation]

Safeguards are also going to be put in place where needed to mitigate health and safety risks to Canadian consumers and workers, in the event that goods in transit are diverted into the Canadian market; or in the case of handling, accidents or spills involving such goods.

My colleagues and I look forward to answering any questions you may have on Bill C-13 and the WTO TFA.

Thank you.

[English]

**The Chair:** Thank you, Mr. Usher.

We're going to begin questions from the MPs.

Conservatives, do you want to start off?

**Hon. Gerry Ritz (Battlefords—Lloydminster, CPC):** Thank you, Mr. Chair, and thank you, ladies and gentlemen, for your presentations here today.

This measure has been in the hopper for a while. The election got in the road, but now we're here and we're going to implement it, along with a number of other countries. I remember when they were talking about this in Bali, I think it was, when it came to the fore. It's a last gasp to keep the WTO relevant and moving forward as a rules-based organization. We fully support that. The goals specified in your presentations—to simplify, harmonize, and standardize—I fully appreciate and agree with all of that. This will have a positive effect on the thinning of the borders, as it were. We'll build on the Regulatory Cooperation Council work that we've done with the U.S.

Is there going to be a specific recognition of science that will facilitate that trade when we implement this measure?

**Mr. David Usher:** Thank you very much for that question.

In terms of recognition of science, I will make a general comment and I'll turn to my colleagues from the two other ministries.

Within the WTO agreement, we also have the agreement on technical barriers to trade. We also have the agreement on sanitary and phytosanitary measures. I think those are the agreements that deal more with the specific science elements of regulations at the border, but I will turn to my two colleagues to see if they have anything they wish to add.

• (1200)

**Hon. Gerry Ritz:** Is there any capacity in putting this in play? There's always a concern, and it goes back to PMRA and some of the largesse they've taken on when it comes to labelling. If you add different water, it changes everything, and there are some concerns around that. Is there any increase in the scope of what will be considered a label, or what can or needs to be put on a label? Do you see anything like that happening?

**Mr. David Usher:** Thank you for your question. I'll turn to Health Canada for that.

**Mr. Jason Flint (Director General, Policy, Communications and Regulatory Affairs, Department of Health):** The definition of a label was proposed to be changed in this act, and it was designed to separate it from the packaging because we're now putting in provisions to deal with unregistered products that may be in transit. The idea was to harmonize label definitions, and we looked at definitions under the Safe Food for Canadians Act and the previous Pest Control Products Act to see what we could do. The only intention that was looked at that possibly increasing it would allow for electronic labels in the future.

**Hon. Gerry Ritz:** It would maintain our ability to use the metric system, official bilingualism....

**Mr. Jason Flint:** Yes, all those things are there, but—

**Hon. Gerry Ritz:** Exactly; it would keep all of that.

Did you have presentations from some of the pest control distributors and manufacturers in Canada in the development of this bill?

**Mr. Jason Flint:** Not in the development of this bill, no. After it was tabled, we did hear from them that they had expressed concern that perhaps it was expanding the scope of the label beyond what they were comfortable with, but we did discuss and explain to them where the origins were and what the intention was with the definitions—

**Hon. Gerry Ritz:** And they're happy, or as happy as they get?

**Mr. Jason Flint:** They still have their concerns, but we've expressed what we intend to do with the labelling.

**Hon. Gerry Ritz:** Have they understood that and moved on and everything's fine?

**Mr. Jason Flint:** They can speak for themselves.

**Hon. Gerry Ritz:** Some of them still have some concerns, but I just wanted to make sure that you understood that they did and that you had addressed them accordingly. I think you have.

Does anybody have anything to add? No?

Thank you.

**The Chair:** We'll move over to the Liberals and Mr. Peterson. Go ahead.

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair, and thank you to everyone for being with us today.

Mr. Ritz touched on it in the specific context of the pest control industry, but I wonder what consultations were done broadly with industry in the development of the wording in the bill, and maybe even afterwards.

**Mr. David Usher:** I can read a list of input we've received, but specific line ministries can comment on the nature of the input they've received from their industry colleagues.

Do you have any comments regarding specific input from industries?

**Mr. Jason Flint:** During the development of the bill itself, there was not consultation in advance. It was all in reaction to implementation of the trade facilitation agreement. We had consultation once the bill was introduced into Parliament. There was a technical briefing to allow for industry to respond and pose questions. The comments we've received so far are minimal and generally are supportive of the direction we're taking.

**Mr. Kyle Peterson:** Thank you.

**Mr. David Usher:** Perhaps my colleague from Environment Canada can add something.

**Ms. Sara Neamtz (Acting Executive Director, Legislative Governance, Department of the Environment):** It's the same situation. We participated in those technical briefings. I would also say that it's an amendment to give a regulatory authority under the Canadian Environmental Protection Act. Once the amendments are in force, a regulation would be proposed, and it would go through the normal public consultation period before that exemption came in.

**Mr. Kyle Peterson:** Mr. Usher, would you comment?

**Mr. David Usher:** In terms of the larger consultative process, I can confirm that provinces and territories, for example, were consulted on the TFA agreement and are supportive of the agreement. No concerns were raised.

The Canadian agrifood alliance, the Grain Growers of Canada, the Cattlemen's Association, the Council of Chief Executives, the Chamber of Commerce, the Canadian Manufacturers & Exporters, the Retail Council of Canada, the Canadian Meat Council, and the Further Poultry Processors Association of Canada have all issued or signed on to various press releases supporting the TFA.

In the spirit of transparency, I should indicate that the Council of Canadians was the only stakeholder to express sensitivities or concerns regarding the TFA, on the basis of their belief that the agreement would only benefit large agribusiness firms and not small-scale farmers.

I hope that answers your question.

● (1205)

**Mr. Kyle Peterson:** That does.

Picking up on the position of the Council of Canadians, were those concerns addressed, and, if so, how were they addressed?

**Mr. David Usher:** Thank you for that question. Our belief, as I mentioned in my introductory comments, is that given that it's small and medium-sized enterprises that are often more adversely affected by complex customs regulations at the border, improving transparency and facilitating the cross-border trade of goods will in fact

benefit small and medium-sized companies even more than larger firms, so we believe the concerns expressed are not founded. We think that if you reduce trade administration costs, Canadian small and medium-sized enterprises in all sectors, including the agriculture sector, will be more competitive and will better integrate into international trade.

**Mr. Kyle Peterson:** Thank you.

I want to follow up on the change of the definition of "label" under the Pest Control Products Act. I think some concerns were raised previously by some industry participants.

Would you explain, Mr. Flint, why significant changes—I think we can call them significant—were needed in the definition?

**Mr. Jason Flint:** Sure. As I said, the last time the Pest Control Products Act was revised, in 2002, the definition of "label" was combined somewhat with packaging. Packaging was designed to include a label. In order to facilitate the regulation of packaging for goods in transit, we separated those out and introduced a revised definition of "label". We went back to look at, for consistency, what was used in other pieces of legislation, such as the Safe Foods for Canadians Act, the previous Pest Control Products Act, and the current Pest Control Products Act to develop a new definition for "label" that would be more consistent with what exists in other pieces of legislation.

**Mr. Kyle Peterson:** Thank you. I'm done, Mr. Chair. Thank you.

**The Chair:** Perfect timing there, Mr. Peterson.

We'll move on to the NDP. Ms. Ramsey, go ahead.

**Ms. Tracey Ramsey:** Thank you all so much for the briefing. I appreciate it. It's such a technical, specific piece, and I appreciate your expertise in the briefing you provided to me individually as well.

I live down near Windsor, down near the border, where we will have a new border crossing. After this TFA is implemented, presumably trade at our ports and borders will increase. Has the department looked at capacity issues, and are you predicting that additional resources will be needed at the border for CBSA or in any other way?

**Mr. David Usher:** Thank you very much for that question. In terms of increasing trade, the agreement is designed to facilitate the trade that is occurring. Trade might increase if other countries say, "Oh, wow. We have the trade facilitation agreement. Maybe it'll be easier now for me to export", but there's not a direct link between the agreement and an increase in trade. It's designed to facilitate the trade that occurs now, if you know what I mean.

**Ms. Tracey Ramsey:** Yes. I'm just anticipating that when people know that they're able to get products through that they couldn't previously get through, it could potentially increase—

**Mr. David Usher:** Yes.

**Ms. Tracey Ramsey:**—trade through our country and hopefully grow that in some way.

The second question—

**Mr. David Usher:** I can respond to your question about resources, if you like.

**Ms. Tracey Ramsey:** Yes, please.

**Mr. David Usher:** You asked about whether Windsor or other border crossings would require new resources to allow us to implement the TFA. Our assessment is that they won't, because the vast majority of the provisions under the TFA for which the CBSA, for example, will be responsible already build on CBSA processes and best practices. Our colleagues at CBSA have indicated that the overall impact of the TFA on the CBSA is expected to be manageable within existing resources.

**Ms. Tracey Ramsey:** Thank you for that information.

You've mentioned SMEs, and we know that in 2011 only 10.4% of Canadian SMEs were exporting. I'm wondering if the department has a plan to support Canadian SMEs in taking advantage of the opportunities around the TFA.

• (1210)

**Mr. David Usher:** Thank you again for that question. I know that SMEs are very important for the department. I cannot comment on the specific plans of the department in that regard, but if you look at Minister Freeland's mandate letter, there's talk of developing a trade and investment strategy, so I would encourage follow-up questions in that regard to her.

**Ms. Tracey Ramsey:** I have one last specific question around pest control.

Clause 36 repeals subsection 8(3) of the Pest Control Products Act and adds new text after subsection 8(4) that removes specific reference to material safety data sheets, or MSDS, from the requirement to provide product safety information. Obviously MSDS are a fantastic tool and hugely important to the safety of those dealing with pest control products, so why did this change take place?

**Mr. Jason Flint:** The reference specifically in that section of the act was removed and just went with the more generic term of product safety information. We've always used "MSDS" as the term, but then when GHS, the globally harmonized system, was introduced, it became "safety data sheets", and so rather than tie ourselves particularly in that part of the act to the term, we just used "product safety information".

If you look under clause 59, I believe, we do modify the regulation-making authority under paragraph 67(1)(s) of the Pest Control Products Act, and it specifically says that the regulation-making authority relates to product safety information, including safety data sheets. It does make that clarification, so I don't think the change will actually affect our ability to regulate safety data sheets in any way.

**Ms. Tracey Ramsey:** Another thing is hazardous goods. There's been a lot of conversation about what this could potentially mean. I know I had questions when you came earlier to present to me. I'm wondering how Canada will mitigate the increased risk of these non-compliant goods that are transiting through our communities to enter

the marketplace. Also, what are the protections or what is in place for our environment with regard to these products travelling through our communities?

**Mr. David Usher:** Thank you. I'll start and my colleagues may wish to add to what I say.

If we talk about non-compliant goods at this stage, there are current measures under the Customs Act that limit the risk that goods in transit could be diverted into the Canadian market. Pursuant to the Customs Act, CBSA does customs controls on goods in transit to ensure they're not diverted into the Canadian market and that goods in transit are not a threat to Canada or in fact their international destination. During the process of transit, these goods remain under control of the CBSA from the customs office where they enter to the office where they exit, and there are various methods of customs control that are quite specific.

**Ms. Tracey Ramsey:** In transit specifically, the product is obviously going to travel down our railways or highways throughout Canada. Will there be notification to those communities that the product will pass through? Will they have an identified path that they'll be taking so that we can mitigate any risks that could potentially happen?

**The Chair:** Give a short answer, please.

**Mr. David Usher:** Thank you. Maybe I'll turn to my colleagues to talk about the Hazardous Products Act.

**Mr. Jason Flint:** For that particular provision of the TFA, the bill that we're looking at now only amends the Pest Control Products Act and the Food and Drugs Act with respect to the prohibitions that are currently in place. This is because we have a free market system that requires that the products be authorized prior to being used or sold in Canada. Those are the only ones where the goods in transit were different.

Currently, there is the needed authority under the Hazardous Products Act and in the other pieces of legislation that we're talking about today to address any goods in transit. There is also, as David mentioned, the Transportation of Dangerous Goods Act, which applies to certain of these goods in transit, as well as provincial legislation that may also be applied.

**Ms. Tracey Ramsey:** So it will be—

**The Chair:** We might have time for you to come back. We're going to move over to the Liberals now.

Mr. Fonseca, go ahead.

**Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.):** Thank you, Mr. Usher, for spelling out some of the major benefits of this bill for business, for the environment, and for consumers, and the protections that are in place. You also mentioned in your remarks that in its study, the WTO saw that there would be a 14% savings for developed countries, I guess, and for some others it was 17%.

Have we done our own study here in Canada, and looked at what savings would occur here?

•(1215)

**Mr. David Usher:** No, we haven't done the domestic analysis. We're confident of the WTO analysis in terms of the benefits. It's not in effect yet. Once the agreement goes into effect, the magnitude of the real benefits will be known, but the WTO assessment is probably a realistic assessment.

**Mr. Peter Fonseca:** Is it their assessment that 14% would apply across the board, or is that sectoral? Would different sectors have more savings? Are these savings to be had at the border, as we heard from Mr. Ritz, depending on the border? Where are these savings? Where do you see the savings coming from?

**Mr. David Usher:** Well—

**Mr. Peter Fonseca:** About the harmonization, I get all of that, where do you see the savings?

**Mr. David Usher:** Let me give you an idea.

What they're doing is calculating the costs caused by a customs delay, for example. Let's talk about clearance for exports in 2014. When you look at the WTO membership, you will see that it could take between two and 11 documents and between six and 86 days to get goods out of the country. In terms of imports, it could go from two to 17 documents, depending on the country, or from four to 130 days.

All of those delays and paperwork have a certain cost for the exporters, whether they're small and medium-size, medium-sized, or large, and that's how they're calculating these benefits. With the agreement, these costs will be reduced, because the delay at borders will be minimized and the paperwork will be consolidated. That's how they're doing the assessment of the costs.

Their assessment is that Canada is already largely compliant, so our changes are relatively minimal. A country in the developing world may well have a very paperwork-heavy customs clearance procedure, so the changes in a developing country will be more significant and the benefits will therefore be larger, both for their exporters and for Canadian companies looking to export to them.

**Mr. Peter Fonseca:** In Ontario, 90% of our trade is still with the United States. Do you see this agreement helping in terms of diversifying our markets and making it easier to go global?

**Mr. David Usher:** The U.S. has signed on to the trade facilitation agreement. I'm not an expert on our specific regulatory initiatives here, but my view is that the existing co-operation that your colleague referred to earlier goes farther than the TFA obligation. In terms of the U.S., we probably have a better situation than the TFA at present.

In terms of allowing us to diversify trade to the extent that exporters can export more easily to other markets, if they take advantage of it, yes, it will be positive.

**Mr. Peter Fonseca:** Why have we waited so long to get to this point? It sounds as though it's all good. What has taken so long?

**Mr. David Usher:** Well, the negotiations took some time. The negotiations were completed in 2014. We had an election, and that may also have delayed the legislative process a little bit, but we are now moving ahead.

**Mr. Peter Fonseca:** Thank you.

**Mr. Kyle Peterson:** You remember the election.

**The Chair:** Is that it for the Liberals?

Each party had a chance to ask questions, but we still have a bit of time. Does any MP want to ask any more questions?

Go ahead, Ms. Ramsey.

**Ms. Tracey Ramsey:** Getting back to goods in transit through Canada, the concern is that Canadians will be exposed to additional risk as these things are passing through.

Will they be required to have a travel plan so that we can watch them when they are travelling through the country, or at least we know where they will be in the country if, God forbid, something like a spill happens that would impact Canadian communities?

**Mr. David Usher:** I will try at my level to explain some of these points and I will turn to my colleagues as required.

In terms of goods in transit, the modifications in the agreement provide for Health Canada to have oversight to identify goods in transit that may not comply with Canadian technical regulations, and allow it, I would argue, to continue to protect the environment and the health and safety of persons who come into contact with certain pesticides and pharmaceutical drugs.

Let me end there and turn to my colleague Jason or my colleagues from Environment Canada to see if they have anything they wish to add.

•(1220)

**Ms. Sara Neamtz:** From Environment Canada's perspective, the risk of increased environmental impacts from the amendment to the Canadian Environmental Protection Act would be low. The purpose of the current prohibition is to limit the amount of nutrients. The only nutrient that is currently under the regulation is phosphorus, which naturally occurs in the environment. It basically limits what goes down our drains. If there were a spill of a truck that contained these cleaning products, they are in a container, in a box in a truck, and the risk of these products getting into water sources would be quite low.

**Ms. Tracey Ramsey:** Do we have a problem currently with non-compliant goods that are being stockpiled at the government's expense? What to do with the products that have been rejected at our border is part of this as well. Is there currently an issue in that regard?

**Mr. David Usher:** I should say how pleased I am to have experts here with me today. I will turn to my colleague from Health Canada.

Kim, please go ahead.

**Ms. Kim Dayman-Rutkus (Director, Centre for Regulatory and Compliance Strategies, Department of Health):** The department currently does incur costs, in some cases significant costs, to store goods that have been seized at the border and for which the forfeiture provisions in the legislation are currently insufficient. These provisions are put in place in order to enable the recovery of the costs related to non-compliant goods that are incurred by the government so that the costs are borne appropriately by the importers who are responsible for the importation of those non-compliant goods.

**Ms. Tracey Ramsey:** Thank you.

I have heard concerns about the shipment of endangered whale meat through Canadian ports and territories. A few years ago there was a case that involved 12 containers of endangered fin whale meat that were shipped through Canada, from Halifax to Vancouver, which was legal in Canada despite our being a signatory to CITES. I am concerned about the implications of expanding these transshipments and I am concerned to see Canada play a more significant role in the trade of controversial goods, such as endangered species. What can be done to address this situation?

**Mr. David Usher:** My understanding is that there is nothing in Bill C-13 that limits the ability of the regulatory agencies to act appropriately if they see those goods coming into Canada.

**Ms. Tracey Ramsey:** I have a couple more questions.

**The Chair:** You have just over half a minute.

**Ms. Tracey Ramsey:** I have one quick question, then.

There are definitions that are included in this change. I have a question about one of them, under clause 1.

I am wondering why a person is defined as an individual or an organization. How can a person be an organization? I wonder if you can explain why this change was deemed necessary.

**Mr. David Usher:** From a general sense, you often talk about a legal person in this context, so maybe that is the intent.

I will turn to my regulatory experts.

**Mr. Jason Flint:** When the definition was changed, it was based on legal precedents set over the years. The definition of “person” was actually taken from the Criminal Code. We’ve modified the definition of “person” through several pieces of legislation to refer to “person” as in the definition in the Criminal Code, which includes any sort of corporation, association, or group of people. When the reference to “person” occurs, it allows us to take action against the natural person as an individual or against a person in the legal sense of being a corporation. That’s why you see the change.

Then there were consequential changes that we had to go through to amend where it previously said “person”; we had to then talk about “individual”. It’s pretty much consistent throughout the Health Canada legislation. We’re making this change to be consistent with the Criminal Code of Canada.

**The Chair:** Ms. Ludwig, you’re going to take the floor.

**Ms. Karen Ludwig:** Thank you.

Thank you much for your very interesting presentation. I’m wondering if you had the opportunity to listen to our last witnesses, Dr. Howard and Mr. Yeo.

• (1225)

**Mr. David Usher:** I just caught the tail end of the video conference.

**Ms. Karen Ludwig:** It would be great for them to be able to hear your presentation, because one of the concerns that Dr. Howard raised was a lack of input regarding health and climate change in trade negotiations and trade discussions. I’d be very pleased for her to hear about Bill C-13.

Could you inform us how long it will take in the transition period to put this into place?

**Mr. David Usher:** It all depends how quickly countries ratify the agreement. We have 92 out of 110. You have to get a certain percentage of the WTO members. The process is moving ahead well.

As I mentioned in my opening comments, the G20 ministers, when they met in Shanghai in China earlier this month, committed to ratifying the agreement by the end of this year, so if the G20 members get on board and any other outstanding members sign up, in an ideal world we’d have it sometime early next year.

**Ms. Karen Ludwig:** Okay. Thank you.

We’ve also heard from witnesses across the country who have identified concerns about the harmonization as well as phytosanitary concerns. Will Bill C-13 help bring that together?

**Mr. David Usher:** It’s really dealing with the trade facilitation elements of trade, not the sanitary and phytosanitary aspects or the TBT elements. That’s not really the purpose of Bill C-13.

Again, I don’t know if my colleagues from the regulatory departments have any comments to make.

**Ms. Kim Dayman-Rutkus:** Under the Food and Drugs Act that in part regulates food, along with many other federal statutes, the current regulatory regime for food is maintained. All of the authorities that are brought to the Food and Drugs Act via Bill C-13 are applicable to food as well. The increased controls at the border over imported food would be available as well.

**Ms. Karen Ludwig:** Do I have more time?

**The Chair:** You have time. Yes, go ahead.

**Ms. Karen Ludwig:** My last question is more of a general interest question. It’s on the disposal of non-compliant goods. I know you said it’s at the cost of the importer, but I’m sure there are cases in which the importer, for whatever reason, is not able or willing to pay for the disposal. How do we go about that as a government?

**Mr. David Usher:** It may well be that the response will come from Health Canada and Environment Canada in that regard. Perhaps Health Canada might go first.

**Ms. Kim Dayman-Rutkus:** I think there is some work to be done in order to implement this broad legislative authority that we have placed in these statutes. That recovery of cost will be according to Treasury Board policies, according to regulations and the Financial Administration Act, and according to existing policies as well around recovery of costs and the financial structures that ministries administer.

**Ms. Karen Ludwig:** Okay. Thank you.

**Ms. Sara Neamtz:** There are no amendments to CEPA with respect to that article in the TFA.

**Ms. Karen Ludwig:** Do I still have time?

**The Chair:** Yes. You have a minute, if you want. You don't have to use it up.

**Ms. Karen Ludwig:** Oh, I'll think of something.

I'd like to refer back to the trade and investment strategy that you mentioned, Mr. Usher, and that my colleague Ms. Ramsey talked about. It was about preparing the small to medium-sized companies, but especially the small, for exporting. How will this information regarding Bill C-13 be disseminated to the small company or organization in Canada?

**Mr. David Usher:** Right now there's a lot of information, obviously, and not only on the WTO website; we also have references on our Global Affairs Canada website. As we do outreach through the trade commissioner service and talk about how to facilitate trade in export markets, this will be an element. At this stage we're saying that this is a negotiated agreement and that we're hoping to ratify it. I think once the agreement enters into force, then the nature of the messaging to our exporters will change.

●(1230)

**Ms. Karen Ludwig:** Great. To me, preparing businesses for export markets is critical, particularly in the east. It isn't only preparing them to get into the markets but also helping them stay in the markets. For those who lost market share or opportunities, probably a significant amount of work needs to be done to encourage those companies to enter the export markets again.

Thank you.

**The Chair:** Thank you very much.

I hope that gives everybody a better understanding of where we're going, because we'll be dealing with clause-by-clause study in a couple of weeks.

Unless you have any more comments, folks, thank you for coming. We know where to find you, I guess, if we're stuck on any clause. Thank you very much.

We'll suspend for a minute while everybody leaves the room. Hopefully the MPs will stay at their seats. We have some future business to deal with.

*[Proceedings continue in camera]*

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