

CANADA- UNITED STATES REGULATORY COOPERATION COUNCIL NEWS MAY 2014

Welcome to the spring 2014 edition of the Canada-U.S. Regulatory Cooperation Council (RCC) news update. These newsletters are prepared periodically to provide you with information on RCC plans, progress being made and other items of interest.

NEXT STEPS FOR THE RCC

When the initial Canada-U.S. Joint RCC Action Plan was released in December 2011, it was envisioned as the starting point for a fundamental change in the regulatory relationship between our two countries. It recognized the high level of integration of the Canadian and U.S. economies and that better alignment of our two world-class, yet independent, regulatory systems would provide benefits to manufacturers, producers, regulators and consumers.

The initial Joint Action Plan has resulted in concrete examples of regulatory cooperation achieved across multiple sectors – food and agriculture, transportation, health and personal care products, and the environment. Even more importantly, the practical side-by-side work between regulatory counterparts to implement the initial plan has informed our thinking and initiated a dialogue on more advanced forms of regulatory cooperation between Canada and the U.S. It was invaluable as a proof of concept and to generate lessons-learned.

Differences between practices in Canada and the U.S. are generally not due to different regulatory objectives, but more related to independent development of our regulatory systems. We have learned that an issue-based action plan was a good place to determine what would be needed to better align in the future. In order to be effective, regulatory alignment must occur throughout the entire regulatory system. Another very important lesson learned is that transparency around the initiatives and meaningful stakeholder engagement are critical to maintaining momentum, developing better solutions to identified issues and to improving public understanding.

Work is currently underway to develop plans for the next phase of work in Canada-U.S. regulatory cooperation.

WHAT YOU TOLD US

From August 30 to November 8, 2013, the RCC invited public input both in Canada and in the United States on regulatory cooperation going forward. Businesses, consumers and associations shared their views on how to advance and secure ongoing regulatory

cooperation, initiatives to potentially be included in future work and how to best engage stakeholders going forward.

We received a tremendous response to our call for input with thoughtful and idea-provoking submissions from 160 organizations representing a wide range of sectors and regions. Some of the key themes that have emerged as we analysed the input include:

- There is a strong interest from stakeholders to deepen regulatory cooperation efforts between Canada and the United States;
- There is a desire for more regular stakeholder engagement.
- Stakeholders expressed a desire for continued efforts in the existing areas under the initial Joint Action Plan, as well as expanding into new areas of cooperation that were not originally covered.
- There is also a recognition of the importance of “institutionalizing” regulatory cooperation efforts in both countries to ensure long term sustainability.

Submissions received in response to the 2013 Canada Gazette notice, from those who agreed to share their views publicly, are posted on the [RCC website](#).

Submissions provided, in parallel, through the United States Federal Register process are available at: <http://www.regulations.gov/#!docketDetail;D=OMB-2013-0004>.

This input will help inform the direction of future regulatory cooperation between the two countries.

RCC WORKING GROUP WEBINARS

Thank you to everyone who has participated in our ongoing series of Canada-U.S. RCC webinars. The webinars are intended to provide stakeholders with opportunities to hear updates from, and simultaneously interact with, officials from both countries who are directly responsible for the implementation of the 29 initiatives included in the initial joint Action Plan.

To date, over 1000 participants have logged on to the webinars on their browsers and/or participated by teleconference – over 700 stakeholders have taken advantage of the opportunity to directly interact with close to 300 regulators in Canada and the U.S. These webinars will continue to be held regularly. Information on upcoming webinars will be periodically updated on the RCC website at: actionplan.gc.ca/rcc/webinars.

We would appreciate your feedback on the webinars that have been held to date. Specifically, were you able to participate? Did you experience any technical difficulties? Were the format and content of the presentations appropriate and useful? How often should the webinars be held (quarterly, semi-annually, annually)? Anything else you would like to suggest? Feedback can be provided by email to: rcc-ccr@pco-bcp.gc.ca.

PROGRESS CONTINUES

Economic Action Plan 2014 Act, No 1

On March 28, 2014, the Government of Canada tabled the [Economic Action Plan 2014 Act, No. 1 which includes legislative amendments that, inter alia, deliver on commitments within the Canada-US Regulatory Cooperation Council Action Plan](#). The bill includes proposals to amend five statutes that will modernize and align particular regulatory approaches between Canada and the United States, specifically those under the *Motor Vehicle Safety Act*, the *Transportation of Dangerous Goods Act*, the *Railway Safety Act*, the *Safe Food for Canadians Act*, and the *Hazardous Products Act*.

- [Proposed amendments to the Motor Vehicle Safety Act \(MVSA\)](#) will support the objectives of the RCC to better and more rapidly align Canadian and U.S. regulations and boost North American trade and competitiveness. These amendments fall into four categories: rulemaking, importation, safety (compliance and enforcement) and information gathering.
 - The proposed amendments to the [Railway Safety Act and the Transportation of Dangerous Goods Act, 1992](#), will remove mandatory prepublication and allow more effective regulatory alignment with the United States where appropriate. Where emergency action is required, the Governor in Council will have the power to expedite the enactment of regulatory amendments that respond to those emergencies and bypass the need for pre-publication of amendments in *Canada Gazette, Part I*, also allowing for more effective regulatory alignment between Canada and the United States.
 - The proposed amendments for the *Safe Food for Canadians Act* (SFCA) will enhance the financial protection for fresh produce sellers by replacing the Canadian Food Inspection Agency's (CFIA) Licensing and Arbitration Regulations with a requirement that all fresh produce dealers trading internationally or inter-provincially be a member of a single, third-party dispute resolution body, most likely the Dispute Resolution Corporation (DRC). With the implementation of the single dispute resolution body approach, the Canadian system of financial protection will more closely approach the outcomes of the U.S. system, and fresh produce sellers operating in Canada will benefit from a single unified set of rules governing instances of slow-, partial-, or no-pay.
 - [Amendments were introduced to the Hazardous Products Act to implement the Globally Harmonized System of Classification and Labelling of Chemicals \(GHS\)](#) allowing Canada to align and synchronize implementation of common classification and labeling requirements for workplace hazardous chemicals. The GHS is a standardized, internationally-consistent approach to classifying chemicals according to their physical, health and environmental hazards. Implementation of the GHS worldwide

would facilitate international trade and enhance workplace safety by providing workers with standardized and consistent information on chemical hazards.

Agriculture and Food

- On [February 24, 2014](#), Canada and the United States agreed to harmonize the terminology used for wholesale cuts of meat. This common understanding of terms will benefit industry through reducing costs of maintaining separate inventories corresponding to two sets of nomenclature, easing trade and reducing red tape and regulatory burden. As of February 24, 2014, selected meat cut names including chicken breast fillets, beef hip and lamb leg and chops can be used interchangeably with their U.S. equivalent. The full list of eligible names that can now be used interchangeably with the U.S. equivalent are listed in the [CFIA's Meat Cuts Manual](#) and the [U.S. Department of Agriculture's Institutional Meat Purchase Specifications](#) documents.

Health and Personal Care Products

- On [January 31, 2014](#), Minister of Health Rona Ambrose announced the full implementation of the Common Electronic Submissions Gateway (CESG) making it possible for companies to send drug authorization data to Health Canada online using a special dedicated channel of the United States Food and Drug Administration's (US FDA) existing system. The Gateway will make it faster, easier and less expensive for companies to submit their information securely to each of the regulators for independent review - reducing the administrative burden and cost on industry and supporting prompt access to safe and effective medications for Canadians. Through shared responsibilities under the RCC, Health Canada was able to leverage existing technology developed by the US FDA to create an ongoing shared mechanism - reducing the developmental costs to the Government of Canada while also achieving a streamlined approach for Canadian and US industry. Since going live on January 31, 2014, the number of companies using the gateway has increased from 14 pilot participants to 46 and the number of transactions processed through the gateway has increased from 465 to 990.

Transportation

- Rail Safety Standards - Transport Canada continues to collaborate with the Federal Railway Administration (FRA). Transport Canada and the FRA are developing a Memorandum of Cooperation to facilitate the exchange of information on rail-related regulatory development and safety research.
- Unmanned aircraft - The Federal Aviation Administration and Transport Canada have drafted rulemaking cooperation guidelines for aligning, to the extent possible, their Unmanned Aircraft Systems regulatory programs. The cooperation guideline document was signed by both countries on February 26, 2014.

Nanotechnology

- In March, 2014 the Government of Canada endorsed the “[RCC nanotechnology policy principles for decision-making concerning regulation and oversight of nanotechnology and nanomaterials](#)” confirming that Canada and the United States will use a consistent policy approach to guide the regulatory oversight of nanomaterials.

ENGAGING WITH STAKEHOLDERS

- On January 17th, 2014, The Honourable Ed Fast, Minister of International Trade and Penny Pritzker, United States Secretary of Commerce, met in Chicago, Illinois. They [took stock of the progress made to date](#), regarding the Beyond the Border and Regulatory Cooperation Council action plans and committed to intensified work in the future. They also discussed this shared commitment with stakeholders at an event hosted by the [Chicago Council on Global Affairs](#).
- During the January to April time period, officials from the Canadian RCC Secretariat met with and participated in events with stakeholders from a number of organizations including the, Global Automakers of Canada, the Canadian Animal Health Institute, the Canadian Plastics Industry Association, Canadian Vehicle Manufacturers Association, the Canadian Shipowners Association, Canadian Manufacturers and Exporters, the Canadian Chamber of Commerce, the Government of Ontario the Woodrow Wilson Centre, the CD Howe Institute, the Canadian Foreign Service Institute and the University of Ottawa.
- Senior RCC officials continue to meet individually and collectively with business and community stakeholders in Canada and the U.S.

TO STAY CONNECTED OR FOR MORE INFORMATION

- Working Groups for the individual RCC Joint Action Plan initiatives are committed to consulting with, and providing information to, stakeholders. Contact information can be found at the bottom of each of the individual work plans on our website.
- Work Plans for each of the Joint Action Plan’s 29 initiatives: www.actionplan.gc.ca/page/rcc-ccr/initiatives-and-working-groups
- For general information please visit our website or send us an email at:
- Website: www.actionplan.gc.ca/RCC
- Email: rcc-ccr@pco-bcp.gc.ca

RCC Reference Documents

- [RCC News – December 2013](#)
- [RCC News – October 2013](#)
- [RCC News – May 2013](#)
- [Canada - U.S. Regulatory Cooperation Council Joint Action Plan Progress Report to Leaders](#) (December 2012)
- [U.S. Executive Order 13609](#) promoting international regulatory cooperation (May 1, 2012)
- [RCC Joint Action Plan](#) (December 2011)
- [What Canadians Told Us: A Report on Consultations on Regulatory Cooperation Between Canada and the United States](#) (August 2011)

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