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Direction de
la vérification,
de l'évaluation
et du contrôle

Audit,
Evaluation and
Control Branch

BACKGROUND MODULE REPORTS

Consultations with Industry and
Consumer Associations

Pre-Packaged and Non-Food
Consumer Products



Consommation
et Corporations
Canada

Consumer and
Corporate Affairs
Canada

Bureau de la
coordination
des politiques

Bureau
of Policy
Coordination

BACKGROUND MODULE REPORTS

Consultations with Industry and
Consumer Associations

Pre-Packaged and Non-Food
Consumer Products



Program Evaluation Division
Bureau of Policy Coordination
Consumer and Corporate Affairs Canada
November 1985

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Foreward

This volume contains the final reports of two background modules that are serving as input to CCAC's evaluation of Traded Goods Rationale. Both reports, prepared by outside consultants for the Program Evaluation Division of CCAC, address the Traded Goods regulations -- requirements for labelling, packaging, and standards for consumer products -- as they affect the pre-packaged and non-food consumer products sector. Both are based on consultations with industry and consumer associations affected by these CCAC-administered regulations.

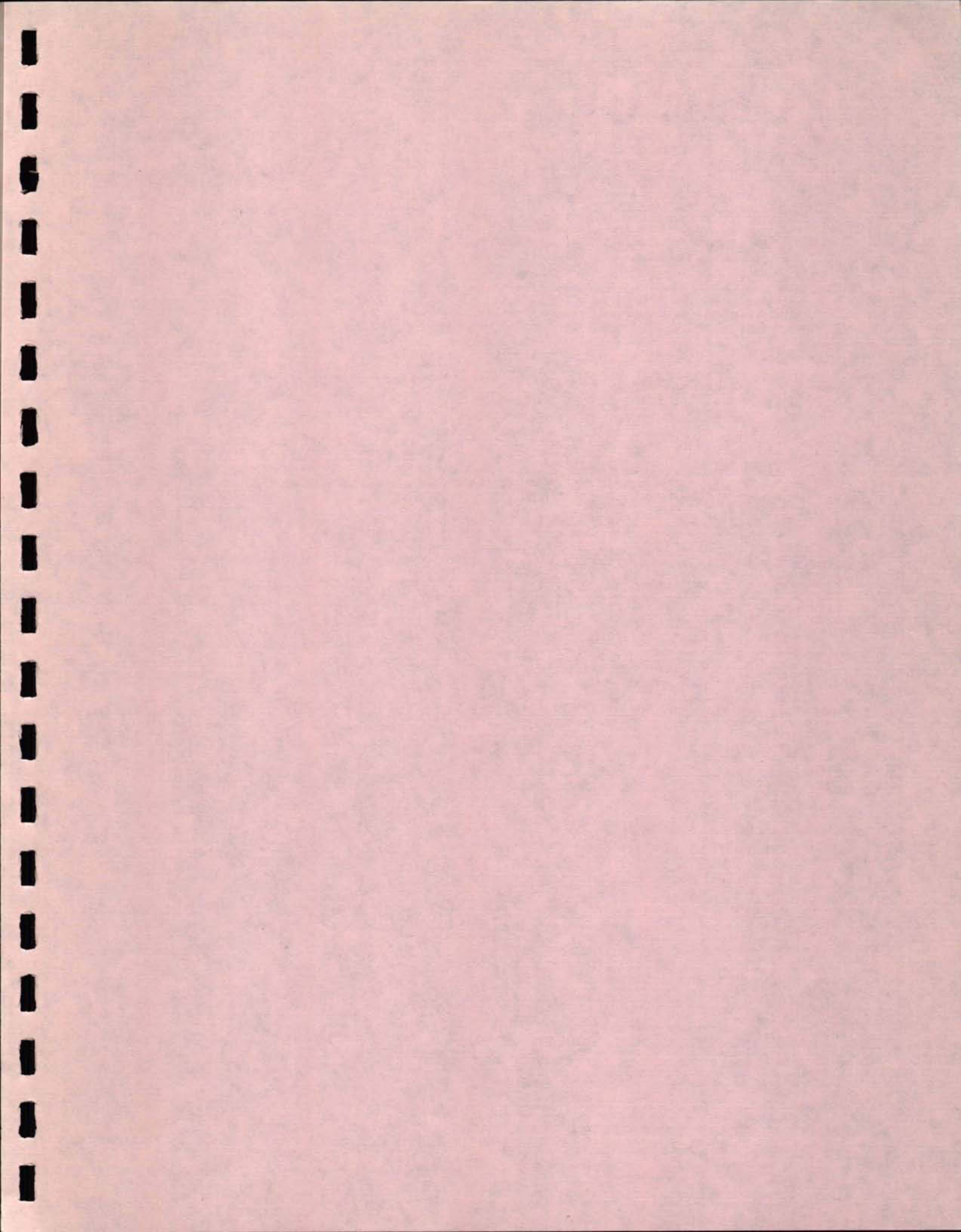
All evidence, advice and recommendations reported herein represent the independent views of the consultants rather than the views of the Government of Canada or any of its departments or agencies.

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CCAC)



NON FOOD SECTOR REGULATIONS EVALUATION

CONSULTATIONS MODULE

Prepared for:
Program Evaluation Division
Consumer and Corporate Affairs

By:
Brenda Siegel

September 30, 1985

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EXECUTIVE SUMMARY

This report presents the results of interviews held between July 29 and September 15th 1985, principally with representatives of associations whose members are subject to regulations on packaging and labelling under the Consumer Packaging and Labelling Act, National Trade Mark and True Labelling Act, specifically the Fur Garment Marking Regulations, and the Precious Metals Marking Act.

The interviews were designed and carried out as part of the overall evaluation of the Traded Goods component of the activities within Consumer and Corporate Affairs, on behalf of the Program Evaluation Division of that Department.

The questionnaire which was used in these in-person interviews was designed by the Program Evaluation Division and approved by the Consumer Products Branch.

The questions dealt basically with problems of enforcement of, or compliance with, the regulations; impacts and effects of the regulations on the association's members; the continuing relevance of and need for the regulations; the consultation process in regulatory amendment; and the receptivity of respondents to the possibility of new regulatory initiatives in this area. An analysis of the responses shows that currently there are no major problems regarding compliance with or enforcement of, the regulations as perceived by the respondents.

In general, it was also felt that there is an ongoing need for these regulations in the marketplace and that the Consumer Packaging and Labelling Regulations continue to meet the objectives of preventing product misrepresentation, facilitating effective trade practice and enhancing product differentiation. Many specific comments on these aspects are included in section 2 of this report.

Everyone interviewed was satisfied with the process of consultation used by Consumer and Corporate Affairs on regulatory amendments. Almost everyone commented on the conflict between Federal and Quebec bilingual requirements

for labelling. Respondents had quite differing views on the desirability and feasibility of the use of product quality indicators on labels.

The most consistent complaint was of the continued presence of imported products with non complying labels, and the lack of enforcement against the importers or retailers of non complying products.

The area of counterfeit packaging was raised in connection with these packaging and labelling regulations, although it is perhaps the non adherence to these regulations which makes package counterfeiting so simple in some product sectors.

All the respondents were very cooperative throughout the interviews, and most were quite knowledgeable about the specific regulations being discussed, the role of regulations in their industrial sector, and the views of their association members.

Recommendations for follow up work are made in the final section of the report. These recommendations include an analysis of the Department's policy with respect to import inspection, an investigation of marketing executives understanding of labelling requirements and the possible conflict of quality labelling or standards with marketing strategies, and an investigation of the role of labelling requirements in preventing package counterfeiting.

There seems to be some discrepancies between the views of the Fur Council, and the Consumer Affairs fur specialist on possible revisions to the Fur Marking Regulations particularly in the area of use of the true fur name or fur trade name. A case study on the attitudes of consumers to this dual labelling is recommended.

Note:

An error in communication from the Fur Council led the consultant to believe that there was a "discrepancy" between the views of the Fur Council and the program specialist at CCAC.

Subsequent communication revealed that the presumed "discrepancy" was based upon an error.

1. INTRODUCTION

The interviews reported upon here were carried out by Brenda Siegel, in Ottawa and Montreal from July 29 to September 15, 1985. The purpose of these interviews was to gain initial insight from Executive Directors or Presidents of certain associations on the impact of packaging and labelling regulations on their industry members.

The initial interview list was compiled by Consumer & Corporate Affairs and contained approximately thirty associations in Ottawa and Montreal. Approximately half of these agreed to a person-to-person interview, while a few more replied by mail, and others agreed to short telephone conversations mostly to confirm a general lack of impact of these specific regulations on their members (i.e. Tobacco Manufacturers Council, Canadian Millers Association). The complete list of those interviewed is contained in Annex A. The interview guide used is contained in Annex B.

The regulations to be covered in these interviews fell under the Consumer Packaging and Labelling Act, and the National Trade Mark and True Labelling Act (specifically the Fur Garments Labelling Regulations), and the Precious Metals Marking Act. Since these regulations covered such a broad range of products the questionnaire was composed of fairly general questions. These questions often had to have an agreed upon interpretation before the respondent would compose a reply.

In general, these interviews focused on the Consumer Packaging and Labelling Regulations. In only a few cases were the interviewees familiar with or regulated by the other two sets of regulations. As will be noted in the following section, comments were also received on the Regulations Respecting Cosmetics (specifically Sections 17 to 21) which fall under the Food and Drugs Act.

These interviews were undertaken as part of an evaluation of the Traded Goods Component of Consumer and Corporate Affairs regulatory activities.

Two similar and preceding sets of interviews have been carried out in the food and textile sectors.

2. GENERAL RESULTS (By identified issues)

i) Problems with the Regulations

Of all the respondents, only the representatives of the Consumers Association of Canada indicated that there were difficulties in compliance with the packaging, labelling, or container size aspects of the regulations. Upon review of these comments it would appear that they were outside of the specific concerns of this study, but rather dealt generally with the consumer oriented view of sufficiency of labelling, appropriateness of packaging and informed comparative shopping.

There were only two additional specific comments on packaging: the requirements for oversize products i.e. tool boxes; and the variation in the size of print requirements for labels. All other respondents seemed to find no current problems with costs of compliance, interpretation of the regulations, or enforcement of the regulations in their domestic product areas.

Both the Canadian Jewellers Associations and the Retail Council of Canada commented on enforcement of the tolerances of gold and silver quality under the Precious Metals Marking Act, agreeing that better enforcement was needed and has now begun.

ii) Continuing Need and Relevance of Regulations

Regarding the continuing relevance of and need for the regulations, all those interviewees who replied rated the relevance and appropriateness at 'somewhat' (3) or above, with the majority expressing a general belief in the ongoing need for such regulations.

With the exception of two specific cases, interviewees were unable to give examples of any regulations which were either no longer relevant or considered to be of questionable value by their industries. Only the Consumers Association representatives thought that there were some regulations which would be considered questionable by consumers. However, again no specific examples could be given. A Sporting Goods Association member commented that the product's country of origin would provide more helpful information than the importers name for consumers' decisions.

With one exception, all interviewees felt that the objectives of the regulations were appropriate to current market conditions and gave them a rating of 'somewhat (3) or above'. In the case of the interviewee who rated the appropriateness as minimal, the reason appeared to be that the regulations did not prevent counterfeiting in packaging.

One interesting comment made in response to the question of relevance, was that in general, the regulations under the Consumer Packaging and Labelling Act were drafted 15 years ago in the period of 'a new wave of consumerism', and these regulations are no longer really relevant since there is a declining interest in these matters and other more specific regulations have been put in place for consumer protection.

Regarding the information requirements for the purchase decision process, most everyone noted the size-weight-volume concerns. Thereafter, price and brand name were seen as being most important. Some other interesting ideas on required information were raised which reflected the specific products represented by the association respondent. These included the hazard factor, product care, method of use, expiry date, and quality or grade indicator.

Regarding the need for further information for certain products or groups of consumers, most people interviewed did not believe further information was necessary. A few examples were cited which included allergenic products and potentially toxic or hazardous products which could require further information regarding use or care on the label. Another comment was that labels are not the most appropriate place to display this information. Instead, literature displayed at the point of sale should be used to distribute such information to consumers.

iii) Objectives Achievement

The majority of people interviewed believed that an adequate amount of information is currently provided under the regulations given the objectives of the program. A few people qualified their answer by saying that lack of enforcement would indicate lack of importance, while another said that the role of regulations was not to 'babysit' the consumer who must be expected to do his own research. The only recommendations which were made to improve the ability of the regulations to achieve the objectives concerned better enforcement, of Precious Metals Marking Regulations. In this area two interviewees mentioned that the distribution of additional information would be useful, and suggestions were made for establishing a Canadian Standards Association standard and applying strict liability for compliance with the standard to the retailer.

An additional suggestion made by a regulatory lawyer was that Departmental administrative policies should be set out for the Trade regarding the type of action to be taken upon discovery of a violation of the regulations in order to regularize the fairly discretionary approach now undertaken by regulatory officials.

Interviewees were split on their belief that consumers used the information provided as intended. However, it appeared that those

who said 'no' had some interesting piece of market research evidence to back up their belief. One example was the lack of use by consumers of unit pricing information provided by stores. Another example given was the great deal of 'brand preference' expressed by consumers indicating that they don't use the labels in making purchasing decisions.

Respondents were also split on whether they believed the government had a role in encouraging the correct use of information by consumers. One cynical comment suggested that if the current information was not being used, the government ought not to be concerned at all. In general those who agreed that the government had a role, believed it should be confined to the area of general awareness of the regulations. Consumer awareness or consumer information and education were mentioned generally by several people, and a couple of specific examples were raised. These examples included mounting a program similar to the 'Think Canada' program, developed by the federal government, which produced brochures which were then distributed by retail outlets. Another suggestion was to follow the U.S. Federal Drug Administration and produce 30 second television commercials showing what the department does, what the regulations require, and recommending that consumers read the label.

Only one person believed that the packaging and labelling regulations did not facilitate effective trade practice. In that case, the Consumer Packaging and Labelling Act requirements were not seen as sufficient to affect the trade practice.

Those who did believe that these regulations contributed to effective trade practice so some degree, believed this came about by requiring enough information to permit comparisons between products by both consumers and manufacturers thereby creating competition.

A further comment on the role of regulations in facilitating effective trade practice was that since it depends on the consumer to read and interpret both the regulations and the information provided under them, the effect is variable.

Improved enforcement was also seen as a way to improve the role of the regulations in affecting trade practice.

iv) Impacts and Effects

Only one person believed that the regulations had any more than 'some' effect on the economy of the industry. Most interviewees believed, that as with any new regulation, there was initial impact in terms of costs of compliance, but in general found the costs of meeting the packaging and labelling requirements to be relatively insignificant. The costs were seen as the costs of label or package design; and costs of teaching buyers and stockers to check for compliance in their products.

Almost everyone interviewed believed that the regulations had not had a significant effect on the structure of their industry over the past decade. However, in response to the small firm - large firm comparison, some people suggested that small firms would have experienced a more onerous burden in start up costs since they have less technical expertise and smaller sales over which to amortize these costs.

With respect to the role of the regulations in facilitating or preventing importation of foreign products into Canada, if there was any effect it was seen as preventive. This was due to the metric labelling requirements and bilingual labelling requirements and was likely of most concern to importers of U.S. products. Beyond this, several respondents mentioned that weak enforcement may counter this preventive effect and felt that, in spite of the regulations, non complying imports were still entering Canada. No

one believed that the regulations had any effect on the export of Canadian products to foreign markets.

Only two respondents believed that the regulations constituted a consideration in the development of new products or processes, and even then, their examples would indicate that this was a relatively unimportant concern.

v) Consultation Process

With few exceptions all respondents reported that they were very satisfied with the opportunity which they are given to participate in the review and amendment of the regulations by Consumer and Corporate Affairs officials.

Their explanations indicated that in most cases they have developed an ongoing dialogue with the Consumer Products Branch officials and have always been consulted regarding regulatory amendments or interpretations. In some cases it seems that the suggestions for change came from the industry, through the association, to the government.

Another general comment was that adequate or additional time was always allowed by the Department for comment on regulatory changes.

The most notable exception to this general satisfaction was expressed by the Consumers Association of Canada, whose representatives were 'very dissatisfied'. Their comment was that manufacturers always heavily outnumbered consumers at government meetings on regulatory amendments, and that individual consumers' views were never represented or considered.

With respect to the time required to introduce amendments or new regulations, most respondents were satisfied that this was

accomplished in a reasonable period. A few respondents did comment that it took ' a long time' but no specific examples within these regulations were given.

The Consumers Association and the Horticultural Association representatives felt that Departmental inaction and indecision were excessive in regulatory change. However, again in these cases, the Consumer Packaging and Labelling Regulations were not the examples cited to reinforce their views.

Six respondents knew about and used the Regulatory Agenda. Others were not aware of its availability, but seemed interested to know more about it or receive it.

Of those who used it, three respondents found it of little use, principally because their ongoing relations with Consumer and Corporate Affairs were so close that it provided little new information. One respondent also added that he found it currently impossible to identify new initiatives from old ones, and felt that the format of the Agenda could be improved.

With regard to the role of the Regulatory Agenda in improving the consultation process, those who thought it was useful believed it presented a formal picture of the government's intentions well in advance, and encouraged associations to contact the Department. It also alerted associations to peripheral issues they may have missed. A few respondents believed it was redundant of other efforts such as the Canada Gazette, and that to date it had provided 'no surprises'.

There were relatively few suggestions on how to improve the consultation process but there were some quite interesting ones.

Two respondents suggested that Canada should follow the U.S. Federal Register approach and set out the various proposals for

regulatory amendment, and afterwards the reasons for the decision. The Canadian Horticultural Association suggested that this would help associations explain the changes to their members.

One quite innovative suggestion was that upon announcing proposed new regulations or amendments, the Department should specify in a trade communiqué the date and time for a telephone conference call to discuss the proposals. This call could also be taped and made available to other organizations. This suggestion could condense the time required for industry input and encourage the industry effort in early consultation.

A final suggestion referred to the drafting of new Bills, as opposed to regulations. It was thought that consultation at the drafting stage should be formalized whereas it now depends on the individuals rapport with Departmental officials involved in the drafting process.

vi) Overlap with Other Programs

With the exception of one respondent who thought that there might be some overlap with the Hazardous Products Act and the Pest Control Products Act and another who thought that the Cosmetics Regulations under the Food and Drugs Act may overlap, there were no major perceptions of conflict or overlap between these regulations and other federal regulatory obligations.

At the other extreme, almost everyone was concerned about conflict or overlap between the Federal and Quebec bilingual requirements for labelling. Most associations commented that their members have dealt with this conflict by meeting the Quebec requirement and using this as the standard for their products which are distributed elsewhere in Canada. A few respondents felt that there ought to be better cooperation between the federal and provincial governments on this problem.

Only four respondents indicated that they had ever approached the federal government on this issue of conflict or overlap, usually by letter or phone. The general comment was that they had found a great deal of receptivity and usually a resolution.

vii) Product Performance Information

The question regarding the need to identify product quality and or durability information on product labels usually met with responses at opposite ends of the spectrum. Those who believed that their industry thought it would be useful, (Horticultural Association, Automobile Industries Association, Crafts Council), generally mentioned items of safety or high cost as candidates for such information. Wood products and leathers were also specifically mentioned.

The respondents who felt that there was no need to identify product quality felt also that quality was a market place decision, and therefore very subjective. These same respondents also felt that it would be very difficult to provide information on product quality, and that choosing the parameters could be complicated. They believed further, that the result would provide only complex technical information which the consumer could not understand. This was the view of the Pulp and Paper Association, Toy Manufacturers Association, Chemical Specialities Association, and Retail Council. An example given where durability is easily rated and could be included on the label was lightbulbs.

A couple of respondents including the Consumers Association, pointed out that for some products, manufacturers currently do their own testing against a fixed standard, but commented further on the need for an independent agency to devise the testing scales. The Consumers Association also pointed out that as an association they do devise quality indicators, test against them, and publish the results in their own report series.

The attitudes of interviewees on the feasibility of providing this information seemed to dictate their view on consumer interest in having this information. Most respondents who believed it was difficult to produce this information also commented that consumers were less interested in having such information than did those who thought it could be produced easily. The representative of the Non Prescription Drugs Directorate of Health and Welfare pointed out that if the consumer knew the cost of providing such information, he may be less likely to require it. The Retail Council also pointed out that this quality rating is often a marketing tool used by retailers.

The respondents who were opposed to quality rating were also opposed to the introduction of either standards or labels, commenting that standards would kill technological advance, or would need to be constantly changed. Due to the patented nature of some production equipment, some believed that standards would be impossible to set. Most importantly, they believed that individual preference would always prevail in consumer choice.

Among those who would express a view on labels and standards as ways to regulate quality, the two were found more or less equal.

Almost everyone who expressed a view believed that mandatory requirements for quality indicators would be impossible to set or enforce. One respondent pointed out that in other cases, levels of voluntary compliance can often meet or exceed mandatory requirements. Another commented that, while neither would work, voluntary standards could be less costly to the government. A third noted that if such information was considered useful by consumers, it would already have been provided by manufacturers.

viii) Range of Regulated Products

There was only one example raised of a regulation which was considered 'not worthwhile'; i.e. package sizes for cosmetic products. There were no suggestions of unregulated products which should be included under these regulations, although suggestions for extension of the Hazardous Products regulations were raised here.

Date stamping was seen as a possible new initiative by a few respondents, but only in areas where product efficacy would be reduced by time (i.e. permanence of colour pigments in dyes).

The issue of ingredient listing also elicited little positive response since most respondents commented that it would be of little use to most consumers (with the exception of possible allergenic products). Others believed that Consumer and Corporate Affairs currently had no mandate to require that this proprietary information be disclosed. One respondent commented that while ingredient listing was required in Virginia, a study showed that Consumers couldn't make a decision based on this.

The only closing comments which were offered were usually that things were 'working fine' and that more regulations would not be welcomed.

3. FINDINGS OF SPECIAL INTEREST

i) Special Problems

As noted in Section 2, there were no significant issues regarding the actual impact of the regulations on the industries represented by these associations. However, with respect to the enforcement of the regulations, or costs of compliance, there were a few

peripheral matters which were often raised. These were the non compliance of labels of imported products, and the counterfeit packaging of goods.

Non compliance of imports was raised by several associations notably: the Pulp and Paper Association, the Retail Council, and the Cosmetics Division of Health and Welfare. Specifically, non compliance is usually in the form of non bilingual labels, non metric net contents declaration or absence of the importer's or distributor's name.

Several people interviewed felt that discriminatory enforcement of the regulations gives an unfair competitive advantage to importers who supposedly do not face the same costs of production of labels or packaging as the Canadian domestic supplier.

The practicality of inspection of imported goods was explained by Health and Welfare officials who pointed out that Customs officials are not responsible for enforcing the Consumer Packaging and Labelling Act. Regulatory enforcement officials in cities which are ports of entry must be informed by the Customs officials before any imported goods would even be inspected, since regulatory enforcement officials are not regularly stationed at airports or harbours.

It also seems that these non complying imports are usually found in stores in 'one shot' occurrences. Before the non compliance is reported and an enforcement officer arrives the entire shipment has often been sold. Although the Consumer Packaging and Labelling Act is enforceable against retailers this has not usually been the case, due to the complications of securing evidence and company documents.

In general, this problem of lack of enforcement of the regulations upon imported goods is one issue which seems to concern several

associations. Although they recognize the high costs of enforcement, they feel that more attention should be paid to imported goods.

A second issue regards counterfeiting. This was raised by a few associations, notably the Automotive Industries Associations and the Equipment Distributors Association. Neither of these industry groups is actually regulated under the Consumer Packaging and Labelling Act due to the exemption under Section 3(4) of the regulations since their products are not displayed for sale but purchased by part number. It would seem that the regulations can do little to prevent such counterfeiting, which might be covered by Combines Regulations or Criminal Code provisions. However, if the manufacturers had complied with the Consumer Packaging and Labelling regulations, such counterfeiting could be made more difficult. Some manufacturers place only a part number and their Corporate logo on the package and this is easily imitated by counterfeiters. A declaration of the importer's or distributor's name could avoid many of these counterfeit problems in packaging.

The Fur Garment Labelling Regulations as a whole represent a third special problem. Although no association representative was interviewed directly regarding these regulations, a letter from the Fur Council of Canada plus a follow up meeting with the fur specialist in the Consumer Products Branch, Consumer and Corporate Affairs indicated that the current regulations are outmoded. The current use of a misleading fur trade name, in conjunction with the true fur name was not seen as protecting the consumers by the fur specialist. The Fur Council seems to prefer the use of true fur trade names to the latin terms used in the U.S.

The use of quality indicators in descriptive labelling of fur garments was also a subject of debate, as was the definition of, or availability of information on, dying and other technical terms.

Discussions on the review and amendment of these regulations began in April 1984 and seem to have moved slowly during the past one and a half years. Since it is obvious that there are conflicting views on what approach should be taken and what legislative tools should be used (i.e. amendment of current regulations under the National Trade Mark and True Labelling Act, or placing of the Fur regulations under an expanded Textile Labelling Act, it is clear that many problems remain to be resolved. However, this is one area in which the possibility of product misrepresentation and the ongoing need for such regulation is obvious.

ii) Products Unaffected by Consumer and Corporate Affairs Because of Other Legislation

The original interview list contained the Canadian Seed Growers Association. However as provided for by Section 4(1) of the Consumer Packaging and Labelling Regulations, seeds, feeds and pest control products are exempted from certain section of the Consumer Packaging and Labelling Act and are more heavily regulated by other acts. Other exemptions from the Consumer Packaging and Labelling Act and Regulations are provided for in Sections 3, 4, and 5 of the Consumer Packaging and Labelling Regulations. The exemptions under Section 3 cover such things as automotive replacement parts and other industrial equipment parts, due to the fact that they are sold to commercial enterprises (under Section 3(1)), or are not sold by display (under Section 3(4)). Two interviews with these industry associations were included and the interviews gave an insight into other packaging problems, specifically counterfeiting.

iii) Disparities and Conflicting Sentiments Within an Industry

In only two cases were interviews carried out with more than one member of an industry (Pulp and Paper, Paints and Coatings). In

both cases the interviewees seemed to be in agreement on all issues.

The only major point of division of respondents was towards the use of extended label information as a marketing tool. This came to light regarding the question on mandatory quality indicators and ingredient listing. Some respondents both believed it would be useful for consumers, and would be feasible for manufacturers to undertake. Others believed that the information would be ignored or unusable and that it would be impossible to provide. Moreover, this group believed that quality information reflected proprietary information or was more appropriately used as a marketing tool.

4. COMMENTS ON RESPONDENTS

i) Level of Cooperative Intent

All of the respondents interviewed seemed genuinely interested in the survey and were most helpful in their comments. All of the discussions seemed most forthright.

In general, the interviewees seemed to have developed a very good dialogue with the Consumer Products officials within Consumer and Corporate Affairs, and these positive experiences may have accounted for their willingness to cooperate. A few respondents attempted to use the interview to complain generally about the burden of regulation, or specifically about the problems of other regulations not under discussion. These diversions made it necessary to understand the scope of the regulations being discussed in order to correctly interpret the comments.

ii) Knowledgeability and Confidence in Response

In general those people interviewed were fairly knowledgeable about the regulatory regime under which their members operated and had held their positions within the association for some time. Therefore they could be expected to represent the views of their members with competence. With respect to the particular regulations under discussion within the questionnaire occasionally spurious comments were received, and upon further examination it became clear a generalization was being made from experiences with other sets of regulations (i.e. Hazardous Products Act) or frustration was being expressed with the burden of regulations in general.

Some of the respondents had a good understanding of the particular sections of the regulations (i.e. test market situations in Section 6(6) of Consumer Packaging and Labelling Regulations) while others had only a general understanding of the requirements of the regulations.

Most people were familiar with only the Consumer Packaging and Labelling Regulations and therefore their comments were principally directed at these. The Precious Metals Marking Regulations were dealt with principally by one person, although two others did mention them in connection with the government role in awareness.

The Fur Garments Labelling Regulations were addressed by one letter and one interview, both quite authoritative. Regarding the Precious Metals Marking Regulations, it should be noted that they are quite unlike the other labelling regulations. These regulations set the industry standard for quality and can currently be enforced only through the use of expensive technical testing methods. The simple quality mark placed on the item often is not understood by the customer, and certainly can not be

confirmed by him. For these reasons several sections of the interview guide were not applicable to these regulations.

In general the comments of all respondents should be treated with confidence. Most interviews were over one and a half hours in length and addressed several of the important issues from more than one angle in the course of the conversations.

5. CONCLUSIONS

i) Identification of Areas for Future Work

Since there does not appear to be any serious concern, from the industry perspective, with the current requirements of the Consumer Packaging and Labelling Regulations and the Precious Metal Marking Regulations, the future of the Fur Garments Labelling Regulations seems to be of the most importance. The Consumer Products Branch does seem to be moving forward at this time to pursue discussions on revisions to the fur regulations with the concerned associations and their industry members, and perhaps some momentum could be added by the results of this survey. As might be expected, these discussions could become quite protracted since the true fur name - fur trade name question, and its implications for consumers, has yet to be resolved, and is of significance in both labelling and marketing of fur garments. A case study of consumer attitudes to dual labelling or labelling preferences for fur garments could be carried out under future evaluation modules.

In the area of enforcement/compliance, the problem of import non compliance should be followed up. It might be important to ascertain the frequency of reports to departmental officials of non compliance of imports, the general policy on port of entry investigations, the number of charges actually laid against importers, and an analysis of the reasons for not pursuing non

compliance of imported products with retailers. In any event, some attempt should be made to evaluate the seriousness of this general complaint expressed throughout these interviews by the industry.

A potentially interesting case study could centre on the general level of understanding of packaging and labelling regulations by marketing executives. The concept of mandatory quality labelling or quality standards in conflict with other marketing tools is quite interesting in light of possible moves toward deregulation in other areas.

A final recommendation for follow-up work would be to draw to the attention of the relevant authorities within Consumer and Corporate Affairs, the growing concern with the counterfeiting problem in both packaging and the product itself. Although the regulations studied in this report do not operate to provide protection for these corporate interests, adherence to them would begin to provide a degree of product differentiation and make counterfeiting more difficult. A further assessment by Consumer and Corporate Affairs officials of the seriousness of, and the major product areas affected by, package or product counterfeiting would seem to be justified in response to the concern expressed in these interviews.

ANNEX A

LISTING OF:

Associations Contacted
Individuals Interviewed
Dates of Interviews

ANNEX A

Interviews conducted with:

- 1) Automotive Industries Association of Canada
Dean Wilson, President July 29, 1985
- 2) Canadian Association of Equipment Distributors
Ed Orava, Vice-President, Hewitt Ltd. August 29, 1985
- 3) Canadian Crafts Council
Peter Weinrich, Executive Director August 8, 1985
- 4) Canadian Horticultural Council
Darry Dempster, Executive Vice-President
Steve Whitney, Assistant to
Executive Vice-President August 9, 1985
- 5) Canadian Manufacturers of Chemical Specialties
Jacques Chevalier, Executive Director August 28, 1985
- 6) Consumers Association of Canada
Kathleen Henderson August 2, 1985
- 7) Canadian Paints and Coatings Association
Dick Murray, President
Michael Cloghesy, Director, Technical Services August 30, 1985
- 8) Retail Council of Canada
Mel Fruitman, Director of Research September 6, 1985
- 9) American Marketing Association
Ernest Jago, Senior Product Manager,
EB Eddy Co. July 31, 1985

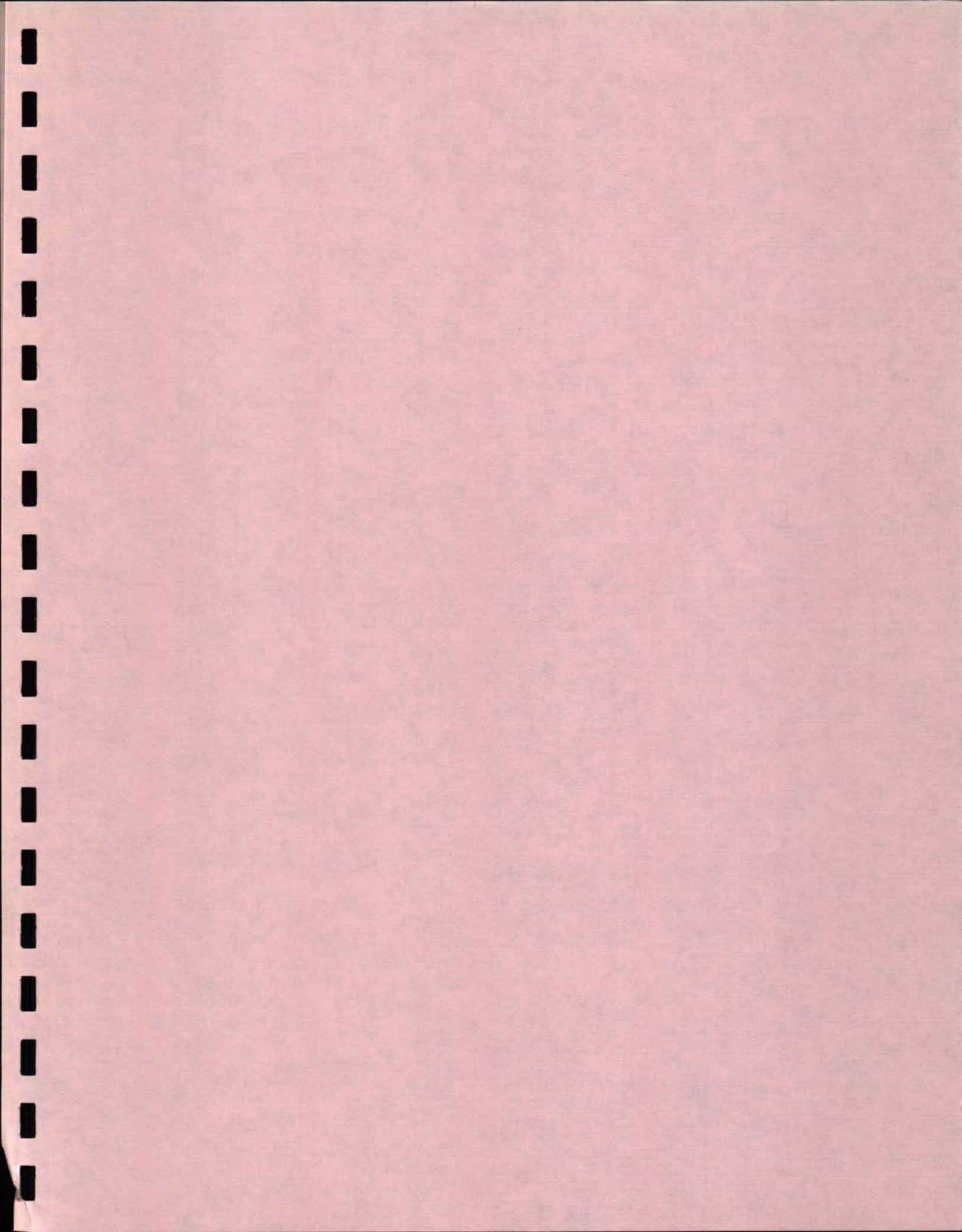
- 10) Bureau of Non Prescription Drugs
National Health and Welfare
Dr. R. Smith, Chief Cosmetics and
Disinfectants Division August 27, 1985
- 11) Canadian Pulp and Paper Association
Albert Lacroix, Manager, Trade Section August 29, 1985
- 12) Canadian Jewellers Association
John Theo, Executive Director September 12, 1985
- 13) Canadian Toy Manufacturers Association
Henry Wittenberg, President August 16, 1985
- 14) Carleton University
School of Business
George Haines August 22, 1985
- 15) Mr. Apse
Lawyer
Regulatory Expert August 21, 1985

Letters Received from:

- 1) Canadian Sporting Goods Association
Keith Storey, Coghlan's Ltd
B.G. Valde, Porcupine Creek Supply
- 2) Graphic Arts Industries Association
Willy Cooper, President
- 3) Fur Council of Canada
D. Haylock, Executive Director

Additional Conversations Held with:

- 1) Canadian Seed Growers Association
Larry Ritz
Jean Murphy
July 29, 1985
- 2) Canadian Construction Association
Mrs. Nelson
August 22, 1985
- 3) Canadian National Millers Association
Don Smith, President, Dover Mills
August 26, 1985
- 4) Canadian Chamber of Commerce
Don Eldon
September 4, 1985
- 5) Canadian Tobacco Manufacturers Council
Christopher Seymour, Executive Secretary
September 5, 1985
- 6) Canadian Lumbermans Association
J.F. McCracken, Executive Director
August 22, 1985
- 7) Consumer and Corporate Affairs
Consumer Products Branch
Geoff Lowe
September 6, 1985



SUMMARY REPORT
NON-FOOD SECTOR REGULATIONS EVALUATION
INTERVIEW SURVEY - TORONTO

PREPARED FOR
CONSUMER AND CORPORATE AFFAIRS CANADA
BUREAU OF POLICY COORDINATION

C.N. WATSON AND ASSOCIATES LTD.
211-2 Dunblow Road
Islington, Ontario
M9A 2E4

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0. EXECUTIVE SUMMARY

Interviews with 18 Toronto-based industry and other associations in the prepackaged non-food sector with respect to problems and issues with the Consumer Packaging and Labelling Act and Regulations revealed that:

- In general, the regulations were not of major concern to these associations. This was indicated by the small number of associations which could provide in depth comments and the difficulty most respondents had in focussing on this legislation only.
- The overwhelming concern of respondents with respect to this legislation was enforcement on imported products. Other major areas mentioned included cost of compliance and "label clutter".
- The respondents had mixed views on the continuing relevance of the packaging and labelling legislation to their industries.
- CCAC's liaison with industry is, in general, very good with most respondents satisfied with the consultation process.
- The most frequently cited example of overlap with other legislation was the Quebec Language Act (Bill 101).
- Information on quality and durability was opposed by the majority of respondents to that section, although two felt there was a need for that information.
- Three respondents favoured the extension of regulations to additional products (i.e. brake linings, occupational health and safety equipment, etc.)

1. INTRODUCTION

This report summarizes the results of an interview survey completed by C.N. Watson and Associates Ltd. for Consumer & Corporate Affairs Canada (CCAC) to evaluate certain aspects of specific Acts and Regulations which affect the pre-packaged, non-food sector. Face to face interviews and one telephone interview were carried out with representatives of industry and other associations located in Toronto during the period August 1 - September 3, 1985.

The specific purpose of the interview survey was to obtain initial feedback from associations in the pre-packaged, non-food sector concerning problem areas and issues with respect to the following Acts and Regulations administered by CCAC:

- Consumer Packaging and Labelling Act and Regulations
- National Trade Mark and True Labelling Act, Fur Garments Labelling Regulations and the Watch Jewels Marking Regulations
- Precious Metals Marking Act

This survey represents a section in an on-going evaluation process of the Department's legislation concerning the "Traded Goods" component.

The Toronto-based survey included 15 industry associations, 1 standards association and 2 service associations.

CCAC selected the associations for interview purposes and arranged the interview schedule. Due to the type of associations available during the study period, all interviews concerned the Consumer Packaging and Labelling Act and Regulations. A summary of the topics covered in this legislation is included in Annex A.

The list of interviewees and the schedule are appended as Annex B. There were a total of 18 interviews of which four were general associations, eight major product-specific groups, two medium-sized product-specific associations and four minor product-specific associations.

2. SUMMARY OF INTERVIEW RESULTS

The interviewees in the survey encompassed a wide range of knowledge of the regulations, with varying relevance to their associations. Of the total 18 associations, seven indicated the regulations were very relevant to their industry and the interviewees were very knowledgeable about them. The remaining 11 associations were unable to respond to the questionnaire fully. One general association was too broadly based with a divergent membership; it was noted that these regulations had not been mentioned in five years in Committee discussions. Four associations indicated that the regulations affected only a small component of the industry and received little, if any, attention in association discussions. Six associations indicated the regulations had no relevance to their members; one had an exemption, others did not produce goods for over the counter sales, and still others did not have responsibility for meeting regulations (i.e. requirements were set by manufacturer of products).

In general, the interviews were quite wide ranging in topics and legislation. This is reflected on the completed interview guides. However, this summary is concerned only with comments on the Consumer Packaging and Labelling Act and Regulations.

(i) Problems With Regulations

Ten of the respondents identified problems with the packaging and labelling regulations. The most frequently mentioned concern, by far, was enforcement. A number of examples were quoted of situations where imported goods were on store shelves but did not conform to packaging and labelling regulations. Several interviewees stressed that they viewed this as unfair competition for their members who bore the additional cost of complying with the regulations.

Cost of compliance ranked second in level of concern among respondents, although some respondents indicated that this was more of a concern when the legislation was first enacted.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

"Label clutter" was mentioned by a few associations, particularly those dealing with small products such as chewing gum, film and products in small aerosol cans. One respondent noted "clear, readable and esthetically appealing labels" on a package in a store are probably illegal.

Other problems which were noted are listed below. These comments were made by one (or more) of three respondents who were most experienced with (and affected by) the labelling and packaging regulations.

- location of the label (on novelty products);
- uniformity of interpretation by inspectors of specific terms;
- need to label country of origin (difficult for some international companies);
- burdensome detail in specifying how net quantity must be shown;
- the specific and detailed nature of the regulations (i.e. print sizes should be more flexible and caution statements much shorter);
- difficulty in complying with regulated package sizes for imported products (i.e. need for smaller intervals in standard package sizes to improve flexibility);
- difficulty with test marketing regulations (12 month period too short; difficulty in designing test market area to meet language restrictions)
- exemption for ethnic cosmetics or drugs.

(ii) Continuing Need and Relevance

Respondents were divided as to the continuing relevance of the packaging and labelling regulations. Three interviewees felt the regulations were appropriate for their industries and perceived them to be of value.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

Three respondents had mixed views with some sections of the regulations needed but others of questionable values. Areas of concern included advertising regulations (too rigid), standard package sizes (too inflexible), too much information required on label (label clutter) and difficulties with test marketing regulations.

The two remaining associations considered that the regulations were not relevant to their association members. One indicated the brand name gave as much assurance as the regulations, while the other respondent felt that some information actually scared consumers and, in general, the regulations were excessive and not required.

Most of the interviewees made no response to the questions concerning the relevance of the legislation to consumers (10b). However, one noted that they had received complaints about the amount of packaging for small products (i.e. batteries); in order to meet the regulations, the package had to be of sufficient size. A second respondent considered that consumers probably did not use standard sizes in making buying decisions.

Four of the respondents felt the objectives of packaging and labelling regulations were appropriate to current conditions, two somewhat appropriate and one considered them inappropriate.

The minimum information required by a typical consumer for the purchase of a product varied considerably depending on the product but brand, price and manufacturer were mentioned most frequently.

None of the respondents felt that there was a need to regulate the provision of more information for special groups of consumers. This should be a function left to the marketplace.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

(iii) Objectives Achievement

The eight respondents to this section unanimously agreed that the current regulations on packaging and labelling meet the objectives of protecting the consumer from product misrepresentation, enhancing product differentiation and facilitating trade practises.

Problems with enforcement were noted in a few cases in response to the question dealing with ways of improving the regulations' ability to meet objectives (question 15). In addition, three respondents requested more flexibility in the regulations (i.e. the use of broad guidelines) to better facilitate trade practises.

Most of the respondents considered that consumers did not use the information provided as intended, but opinion was divided as to whether the government could improve the situation. Three interviewees felt a more extensive public relations campaign or consumer education at the school level was required. Others felt that no further government action was necessary.

None of the respondents felt that the labelling and packaging regulations facilitated trade practises in their industry, mainly due to lack of enforcement and, in some cases, their complexity.

(iv) Impacts and Effects

Seven of the nine respondents to this section stated that they considered the labelling and packaging regulations to have affected the economy of their industry to some degree. Three of the seven interviewees indicated that these regulations are a major cost consideration in their industry today, with the remainder noting them as a minor factor. In several cases, labelling and packaging regulations were cited as having a high start up cost when the legislation was first enacted, but are less of a factor now.

With one exception, respondents did not consider that the regulations had any effect on the structure of their industry. The impact of metric regulations reduced the range of products in one case.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

The difficulty of absorbing the additional costs associated with the regulations was considered to be more of a burden for small firms than larger ones. As well, there was unanimous agreement that the regulations had increased production costs and consumer prices.

The impact of the labelling and packaging regulations on imports and exports varied depending on the industry. Three respondents felt that it prevented the import of products into the country and export sales, while three considered that it had no effect on their industry. One interviewee felt the legislation prevented imports and had no effect on exports. The problems with enforcement were also raised in connection with this question.

The labelling and packaging regulations constituted an important consideration in the development of new products or the introduction of new processes by all respondents to the interview survey. One interviewee in an industry where new products are developed and marketed very frequently indicated a greater degree of concern.

In general, the major impact and effects of the consumer packaging and labelling regulations appears to be concentrated in a small number of industries (i.e. cosmetics, photographic trades, etc.).

(v) Consultation Process

Most of the 15 respondents to this section of the questionnaire were satisfied with the consultation process with respect to CCAC. Three interviewees mentioned that they had never been contacted by the Department before and expressed the opinion that there may be a role for them in future consultative processes. One association expressed dissatisfaction, mainly due to insufficient advance warning for regulation changes.

With respect to the lead time for new regulations, most were satisfied or had no experience, while one association considered that amendments to existing regulation took an unreasonable length of time.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

The Regulatory Agenda was used by nine respondents. Three others were not aware of the publication. The major reason cited for not using the Agenda was the time required to find relevant material. However, most users were very pleased with it and one expressed the opinion that more departments should be added.

In summary, CCAC was considered to have a good consultative process and generally described as "reasonable and accessible". A few respondents felt it could be improved by holding regular meetings (annually) with industry associations, and by the Department seeking more input from the associations before regulations are written.

(vi) Overlap With Other Programs

Ten of the eleven interviewees cited conflict or overlap between labelling and packaging regulations and standards and other Provincial or Federal legislation. The most frequently cited example was the Quebec Language Act (Bill 101) which was mentioned by six respondents. However, some interviewees indicated that the level of enforcement was minimal and that their members were having few difficulties at present.

Areas of Federal legislation where conflict or potential conflicts exist with labelling and packaging regulations according to the respondents, include: Food and Drug Act, Motor Vehicle Safety Act, Hazardous Products Act, Motor Vehicle Tire Safety Act and the Official Languages Act. Each was mentioned on one occasion only. In addition, one of the advertising associations indicated that there were a large number of regulations affecting this field which overlap or are contradictory in several Federal Acts (e.g. Food and Drug Act).

Potential conflicts with Provincial legislation (over and above the Quebec Language Act) may occur in the Consumer Protection Acts (all Provinces). These were mentioned by two respondents.

Only one interviewee had identified conflicts between the labelling and packaging regulations and other legislation to CCAC.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

To overcome conflict problems, one of the advertising associations felt that, in their field, a more "omnibus" set of general regulations was needed. Other suggestions for new legislation included a more thorough review of existing legislation before passage, and a need for co-operative consultation among all groups concerned.

In general, conflicts in legislation between the consumer packaging and labelling regulations and other Federal or Provincial legislation did not seem to be a major concern.

(vii) Product Performance Information

This section elicited a range of responses with four associations responding negatively to the concept of quality and durability information on product labels, three indicating the questions were not relevant to their associations and two with a positive response.

The group of associations which responded negatively to this section indicated that brand names, warranties, etc. provided the best source of information on quality and durability of products. Concern was also expressed about increasing the level of industry regulation.

The associations connected with vehicle parts and maintenance supplies indicated that many of their products are already regulated under S.A.E. (Society of Automotive Engineers) standards. Two of these respondents felt that there was a need for product information and that consumers were interested in obtaining this type of information. They indicated that consumers have difficulty understanding the S.A.E. standards.

Setting standards was the overwhelming choice if product performance information was to be provided. Self-regulation was favoured over government regulation by all respondents with one exception. In most cases, mandatory requirements were preferred.

2. SUMMARY OF INTERVIEW RESULTS - Cont'd

(viii) Range of Regulated Products

Respondents to this section of the questionnaire, for the most part, were not aware of any products where CCAC regulations concerning packaging and labelling were not worthwhile, did not favour extension of the regulations to currently unregulated products. Also, they did not see any need to provide more information. Seven of the ten interviewees answered the section in this manner or indicated no information. Some respondents raised the issue of enforcement on imported goods in connection with question 34b dealing with unregulated products.

Three respondents identified products which they considered would benefit from regulation or additional information. These included: brake linings (need to identify type which should be used for specific cars); glues and certain art supplies (shelf life, date stamping, hazards); and extension of standards to occupational health and safety equipment (safety shoes and glasses, etc.).

3. FINDINGS OF SPECIAL INTEREST

There were three areas of comment which have not been included in Section 2, but were mentioned on more than one occasion in the interview process:

- Possibility of Major Disruption If the Regulations Were Changed Significantly

A number of the respondents were involved when the original legislation was passed in the early 1970's. They recalled the major disruption caused by the legislation and the difficulty in meeting the deadlines for label and package changes. The general reaction was that the system was in place and working reasonably well. For most industries, costs had already been amortized. There was a concern, if the regulations were altered significantly, industries would be forced to undergo another major adjustment with its attendant costs.

- Regulations Functioning as a Non-tariff Trade Barrier

In a few cases, respondents noted that they felt the legislation functioned as a non-tariff trade barrier, keeping out products whose manufacturers were not committed to the investment required to meet the regulations. Another respondent indicated that the legislation was a benefit to the Canadian packaging industry, with foreign manufacturers using local sources in order to meet the regulations. Some interviewees indicated the possibility of opposition from their members if the legislation were revoked.

- General Acceptance of the Bilingual Requirements

In general, the requirements for bilingual labelling were accepted and considered to be necessary in a bilingual country such as Canada.

4. COMMENTS ON RESPONDENTS

In general, interviewees were very co-operative and pleased to be asked to take part in this legislation evaluation process. Approximately half the associations had either never been contacted by CCAC previously or at least, not to discuss these particular acts and regulations.

Knowledge of the details of the regulations varied considerably among the respondents with eight interviewees having little or no experience with the legislation, three having some, and eight being very knowledgeable in these areas. As expected, the latter group corresponded directly with those who worked most frequently with the legislation.

As indicated previously, respondents had some difficulty focussing strictly on the Consumer Packaging and Labelling Act and Regulations. There was a tendency to comment on other legislation, mainly the Food and Drug Act and the Hazardous Products Act (see Interview Guides). This is an indication that, relative to other legislation, the Consumer Packaging and Labelling Act is not of major concern to those associations.

5. IDENTIFICATION OF POSSIBLE CASE STUDIES

Several of the respondents cited companies or industry councils which have considerable experience with the legislation and might provide more specific input into the evaluation process. These are noted on the Interview Guides. It should be noted that the majority of the detailed comments are from the cosmetics, photographic and confectionery industries.

The interview process yielded two general areas where possible case studies might be undertaken as part of the next phase. Enforcement, as noted above, was overwhelmingly the major concern of respondents. Specific areas cited included the general level of enforcement activity, the emphasis of current CCAC enforcement activity at the manufacturing rather than the retail level, and enforcement at point of entry (Customs control).

A second area of possible case studies may be the "grey market" where products made to look like name brands (i.e. batteries) are marketed, often in packaging which does not meet the regulations.

ANNEX A
SUMMARY OF LEGISLATION

RATIONALE EVALUATION - PREPACKAGED NON-FOOD SECTOR REGULATIONS

SUMMARY OF LEGISLATION

1. Consumer Packaging and Labelling Act

A prepackaged product is any product packaged in such a way that it is normally sold to the consumer or used or purchased by him without repackaging. Examples include: cosmetics, personal care products, art materials, cleaning supplies, automotive products.

One set of regulations has been issued in conjunction with this Act - the Consumer Packaging & Labelling Regulations - which cover the following topics for non-food items:

- bilingual requirements;
- application of label to prepackaged product;
- part of label on which information to be shown;
- size of print in which information to be shown;
- declaration of net quantity and exemptions;
- manner of declaring net quantity;
- prepackaged products consisting of products packaged separately;
- advertisements;
- name and other information;
- declaration of nominal volume;
- standardization of container sizes;
- capacity of receptacles;
- tolerances;
- inspections;
- energy consumption labelling

2. The National Trade Mark and True Labelling Act

The Act is designed to guarantee consumers a product that meets minimum quality standards by affixing a trade mark. The Act is not compulsory but if manufacturers use the trade mark, they must comply with the regulations. These cover matters such as licences, samples, characteristics, quality, advertising, labelling and application. There are seven sets of regulations of which two are of concern to this survey: Fur Garments Labelling Regulations and Watch Jewels Marking Regulations.

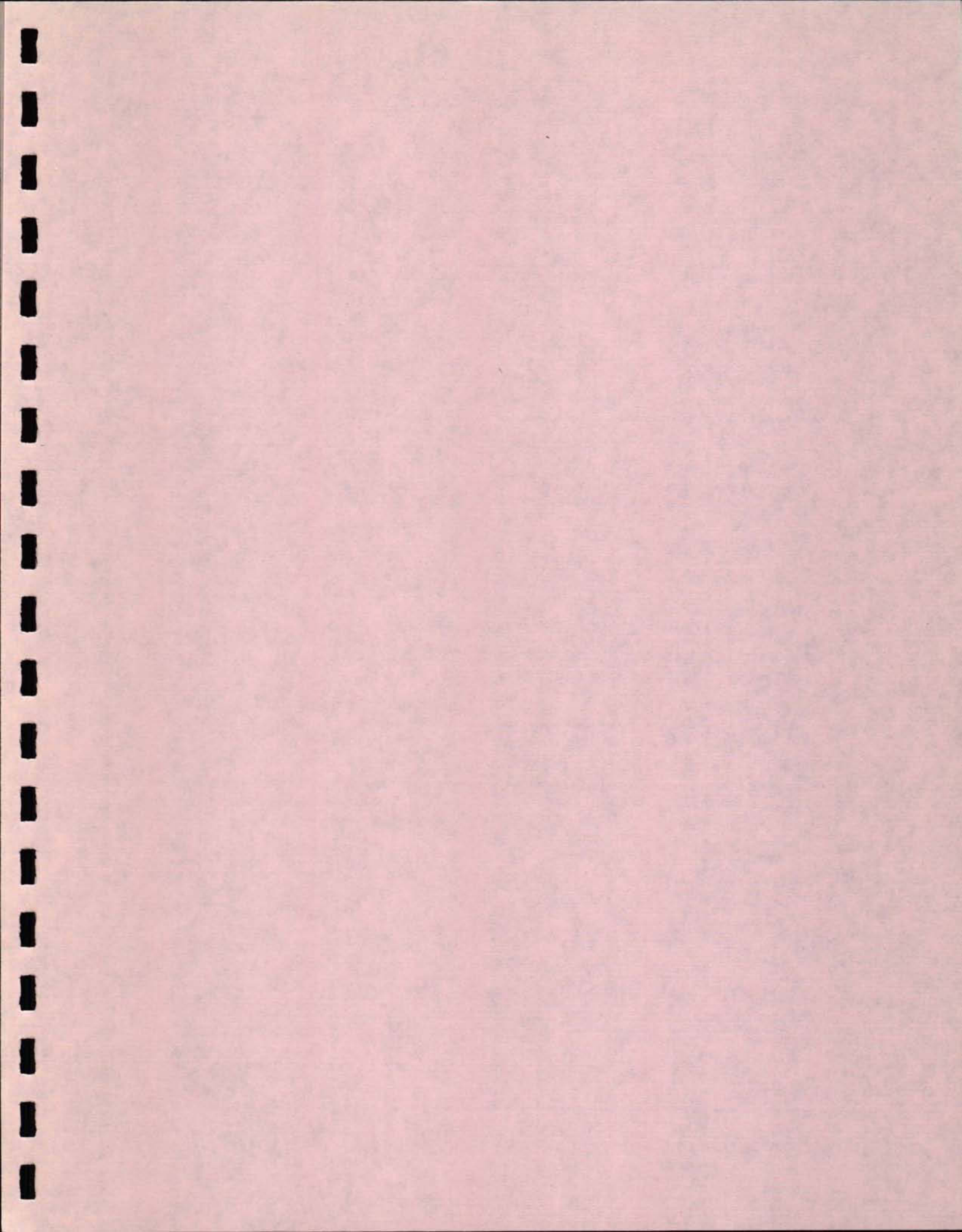
3. The Precious Metals Marking Act

The Act is designed to establish some control over marketing of precious metals in order to give the consumer a product commensurate with its selling price. The legislation is not compulsory and applies only if a quality mark is used.

ANNEX B
INTERVIEW SCHEDULE

CONSUMER AND CORPORATE AFFAIRS CANADA: PRE-PACKAGED NON-FOOD SECTOR INTERVIEWS (TORONTO)

| DATE | TIME | NUMBER | ORGANIZATION | NAME | TELEPHONE | CLASSIFICATION |
|-------------|------------|--------|---|-------------------|-----------|-------------------------|
| August 1 | 9:30 A.M. | 1 | Canadian Chamber of Commerce | R.J. Knox | 941-4421 | General Association |
| August 1 | 3:00 P.M. | 2 | Association of Canadian Advertisers | John Foss | 964-3805 | General Association |
| August 2 | 9:30 A.M. | 3 | Canadian Artists Representation (Ontario) | Gary Conway | 534-8218 | Product Specific-Minor |
| August 2 | 3:00 P.M. | 4 | Motor Vehicle Manufacturers' Association | Norman Clark | 364-9333 | Product Specific-Major |
| August 6 | 9:00 A.M. | 5 | Society of Plastics Industries | E. R. Evason | 449-3444 | Product Specific-Major |
| August 6 | 3:00 P.M. | 6 | Allied Beauty Association | Renee Vincent | 225-2359 | Product Specific-Major |
| August 7 | 10:30 A.M. | 7 | Canadian Recording Industry | Brian Robertson | 967-7272 | Product Specific-Medium |
| August 14 | 3:00 P.M. | 8 | Confectionary Manufacturers' Association | Irene Gibb | 429-1046 | Product Specific-Minor |
| August 19 | 9:30 A.M. | 9 | Canadian Standards Association | Keith Sidwell | 747-4000 | General Association |
| August 20 | 9:30 A.M. | 10 | Motorcycle and Moped Industry Council | Walt McKay | 869-3748 | Product Specific-Minor |
| August 20 | 2:30 P.M. | 11 | Automotive Parts Manufacturers' Association | Patrick Lavelle | 366-9673 | Product Specific-Major |
| August 21 | 9:00 A.M. | 12 | Canadian Automotive Electric Association | Linda Martin | 489-0221 | Product Specific-Major |
| August 22 | 9:30 A.M. | 13 | Canadian Photographic Trade Association | Bill Johnstone | 671-4300 | Product Specific-Medium |
| August 28 | 3:00 P.M. | 14 | Canadian Paper Box Manufacturers Association | W. Bainbridge | 364-7362 | Product Specific-Major |
| August 29 | 9:00 A.M. | 15 | Canadian Retail Hardware Association | Bruce Baldwin | 821-3470 | Product Specific-Major |
| August 29 | 3:00 P.M. | 16 | Allied Boating Association | Peter Jacobs | 236-2497 | Product Specific-Minor |
| September 3 | 10:00 A.M. | 17 | Institute of Canadian Advertisers | Keith McKerracher | 482-1396 | General Association |
| September 3 | 3:00 P.M. | 18 | Canadian Cosmetic Toiletry and Fragrance Ass. | Kenneth Baker | 487-8111 | Product Specific-Major |



Interview Guide: Pre-Packaged Non-Food Sector

A. Respondent Identification

1. Name and title of respondent _____

2. Name and location of organization _____

Ottawa 1 Toronto 2 00 _____

3. Date of interview _____

4. Phone number _____

5. Interviewed by _____

6. Which of the following best describes your organization? 01 _____

- | | | | |
|----------------------|----------------------------|----------------|----------------------------|
| a) Industry ass'n | <input type="checkbox"/> 1 | d) Retailer | <input type="checkbox"/> 4 |
| b) Consumer ass'n | <input type="checkbox"/> 2 | e) Manufacture | <input type="checkbox"/> 5 |
| c) Educational ass'n | <input type="checkbox"/> 3 | f) Other | <input type="checkbox"/> 6 |
| | | specify: | 7 |

7. During this interview we would like to obtain your opinions concerning the role of Consumer and Corporate Affairs Canada in the pre-packaged non-food sector as prescribed by the Department's responsibilities under the Consumer Packaging and Labelling Act, the National Trade Mark and True Labelling Act, the Precious Metals Marking Act, and three sets of regulations which fall under these Acts: the Consumer Packaging and Labelling Regulations, the Fur Garments Labelling Regulations and the Watch Jewels Marking Regulations. These Departmental activities are primarily concerned with product packaging, labelling, standardization and the prohibition of false or misleading information on consumer goods packages.

The following list describes the major product groups within the pre-packaged non-food sector.

Which of the following product areas concern your association?

(CHECK ALL THAT APPLY)

a. Luxury items:

- 1) precious metal articles 02
- 2) fur garments 03
- 3) fur-trimmed articles 04

b. Personal consumption:

- 1) cosmetics and personal care 05
- 2) tobacco supplies 06

c. Entertainment/recreation:

- 1) games 07
- 2) toys 08
- 3) athletics and sports equipment 09
- 4) camping equipment 10
- 5) records, tapes, discs 11
- 6) hobbies and crafts supplies and kits 12
- 7) camera equipment 13
- 8) art materials 14

d. Automotive products 15

e. Household goods:

- 1) pet supplies 16
- 2) household furnishings 17
- 3) cleaning supplies 18
- 4) improvement materials for home use and miscellaneous supplies 19
- 5) paper and plastic supplies 20

f. All of the above 21

g. Other, not listed above 22
specify: _____

h. None of the above 23

B. Problem Identification

This section deals with the identification of problematic regulations regarding the labelling, packaging, and other disclosure of information for the consumer products which are of concern to you.

8. Do the regulations pose compliance problems for your product area with respect to:

a. labelling

1) No Don't Yes
 Know
 24
1 2 3 —

2) If YES above, then why?

(DO NOT READ; CHECK ALL THAT APPLY)

- i) the regulation specifically 25 _____
- ii) enforcement 26 _____
- iii) uniformity of interpretation 27 _____
- iv) cost of compliance 28 _____
- v) other (specify below) _____

_____ 29

b. packaging

- 1) No Don't Know Yes
- 30 _____
- 1 2 3

2) If YES, above, then why?

(DO NOT READ; CHECK ALL THAT APPLY)

- i) the regulation specifically 31 _____
- ii) enforcement 32 _____
- iii) uniformity of interpretation 33 _____
- iv) cost of compliance 34 _____
- v) other (specify below) _____ 35

c. standardization of containers

- 1) No Don't Know Yes
- 36 _____
- 1 2 3

2) If YES above, then why?

(DO NOT READ; CHECK ALL THAT APPLY)

- i) the regulation specifically 37 _____
- ii) enforcement 38 _____
- iii) uniformity of interpretation 39 _____
- iv) cost of compliance 40 _____

v) other (specify below)

_____41

d. standardization of product composition

1) Don't
 No Know Yes
 42
 1 2 3 —

2) If YES, above, then why?

(DO NOT READ; CHECK ALL THAT APPLY)

i) the regulation specifically 43 _____

ii) enforcement 44 _____

iii) uniformity of interpretation 45 _____

iv) cost of compliance 46 _____

v) other (specify below)
 _____47

e. other requirements

specify _____

1) No Don't Yes
 Know
 48
 1 2 3 —

2) If YES above, then why?

(DO NOT READ; CHECK ALL THAT APPLY)

i) the regulation specifically 49 _____

b. by consumers?

No 1 Yes 2 60

Specify: _____ 61

c. Please elaborate:

_____ 62
_____ 63
_____ 64

11. a. Do you feel that the objectives of the regulations are appropriate to current conditions?

1 2 3 4 5
.....
not at all somewhat very much 65

11. b. If NOT above, then what type of changes, if any, would you recommend?

_____ 66
_____ 67
_____ 68

12. What would you consider to be the minimum of information that a typical consumer requires to make a reasonable decision in the purchase of your products? In your product area what do you think consumers look for?

specify product: _____

(DO NOT READ; CHECK ALL THAT APPLY)

- 1) the price 2) brand
- 3) size - weight, volume 4) ingredient listing
- 5) manufacturer's name 69
- 6) other, specify: _____ 70

13. a. Do you think there is a need to provide more information for particular groups of consumers or to treat a particular product in a special way?

Yes 1 No 2 Don't know 3 71 ___

13. b. If YES above, please elaborate:

72 ___

73 ___

74 ___

D. Objectives Achievement

14. a. Do you believe that the regulations we have been discussing provide the consumer with an adequate amount of information given the program's objectives?

Yes 1 Maybe 2 No 3 Don't know 4 75 ___

14. b. Please elaborate:

76 ___

77 ___

78 ___

15. a. Are there any changes you would recommend to improve the ability of the regulations to achieve these objectives?

Yes 1 (specify) No 2 79 ___

15. b. If YES above, then what would these changes be?

80 ___

81 ___

82 ___

16. a. Do you believe that consumers use the information provided as intended?

Yes 1 Don't know 2 No 3 83__

16. b. If NO above, why? _____

17. a. Can the government, in your opinion, do anything to encourage the correct use of information by those consumers who are not using it correctly?

Yes 1 (specify) Don't know 2 No 3 84__

17. b. If YES above, how do you think that the government could do so?

_____ 85__

_____ 86__

_____ 87__

18. a. To your knowledge are these regulations facilitating effective trade practices in your industry?

Yes 1 No 2 Don't know 3 88__

18. b. If YES above, then please elaborate:

_____ 89__

_____ 90__

_____ 91__

18. c. If NO above, how can the effectiveness of the regulations be improved?

_____ 92__

_____ 93__

_____ 94__

E. Impacts and Effects

19. a. Have the regulations affected the efficiency, orderliness and/or economy of your industry?

| | | | | | |
|---------------------------------------|---|------|---|-----------|----|
| 1 | 2 | 3 | 4 | 5 | 95 |
| | | | | | __ |
| not at all | | some | | very much | |
| Don't know <input type="checkbox"/> 0 | | | | | |

19. b. Could you elaborate?

| | |
|-------|----|
| _____ | 96 |
| _____ | 97 |
| _____ | 98 |

20. a. Have the regulations had any effect on the structure of your industry over the past decade, for example: the number of firms, range and variety of products, concentration of market power, and size of the import sector?

| | | | |
|--------------------------------|-------------------------------|---------------------------------------|----|
| Yes <input type="checkbox"/> 1 | No <input type="checkbox"/> 2 | Don't know <input type="checkbox"/> 3 | 99 |
|--------------------------------|-------------------------------|---------------------------------------|----|

20. b. If YES above, in what way?

(DO NOT READ)

| | <u>Increased</u> | <u>Decreased</u> | <u>No change</u> | |
|-----------------------------------|----------------------------|----------------------------|----------------------------|-----|
| i) number of firms | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | 100 |
| ii) range of products | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | 101 |
| iii) variety in product groups | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | 102 |
| iv) concentration of market power | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | 103 |
| v) Other comments: | _____ | | | |

21. Apart from any changes in the concentration of market power, what effects do you think that the regulations have had on small firms compared to large firms? (Specify)

a. small firms _____

b. large firms _____

22. How have the various types of regulations (labelling, packaging, and standards) affected producer costs and consumer prices?

| | <u>Increase</u> | <u>Decrease</u> | <u>No change</u> | <u>Don't know</u> | <u>Example</u> | |
|----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------|-------|
| 22. a. producer cost | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | _____ | 104__ |

| | | | | | | |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------|-------|
| 22. b. consumer price | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | _____ | 105__ |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------|-------|

23. Have the regulations either facilitated or prevented the importation of foreign products to the Canadian market? If so, could you cite any examples?

Prevented 1 example: _____

No effect 2 Don't know 3 106__

Facilitated 4 example: _____

24. Have the regulations either facilitated or prevented the export of Canadian products to foreign markets?

Prevented 1 example: _____

No effect 2 Don't know 3 107__

Facilitated 4 example: _____

25. Do the existing regulations on packaging, labelling and standardization constitute an important consideration in the development of new products or the introduction of new processes?

No 1

Don't know 2 108__

Yes 3 specify: _____

F. Consultation Process

26. a. Given that the consultation process is meant to provide industry with an opportunity to participate in the review and amendment of regulations, are you satisfied that your industry is given adequate opportunity for this?

| | | | | | |
|--------------|----------|-------------|----------|-----------|-------|
| 1 | 2 | 3 | 4 | 5 | 109 |
| | | | | | _____ |
| very | somewhat | indifferent | somewhat | very | |
| dissatisfied | | | | satisfied | |

Don't know 0

26. b. Could you explain why?

_____ 110
_____ 111
_____ 112

27. a. Once a need for change is identified, do you feel that amendments to existing regulations or the introduction of new regulations are made in a reasonable period of time?

Yes 1 No 2 Don't know 3 113

27. b. Could you give examples?

_____ 114
_____ 115
_____ 116

28. a. Do you use the Regulatory Agenda?

Yes 1 No 2 Don't know 3 117

28. b. Do you find it to be useful?

Yes 1 No 2 Don't know 3 118

28. c. Has the Agenda contributed towards improving the consultation process?

Please elaborate:

_____ 119 _____

_____ 120 _____

_____ 121 _____

29. Can you suggest any way that the consultation process can be improved?

_____ 122 _____

_____ 123 _____

_____ 124 _____

G. Overlap With Other Programs

30. a. In your view, do any of the regulations of which we have been speaking (labelling and packaging regulations and standards) conflict or overlap with:

1) other federal regulatory obligations?

Yes (specify) No Don't know 125 _____

1 2 3

_____ 126 _____

_____ 127 _____

_____ 128 _____

2) any provincial obligations?

Yes (specify) No Don't know 129 _____

1 2 3

_____ 130 _____

_____ 131 _____

_____ 132 _____

31. b. If so, can you suggest which products this would apply to?

_____ 145
_____ 146
_____ 147

31. c. Do you think that consumers are interested in having this type of information?

1 2 3 4 5
.....
not at all somewhat very much 148

32. a. Could producers provide meaningful information on product quality and/or durability for certain products?

Yes (specify) Maybe No Don't know 149
1 2 3 4

_____ 150
_____ 151
_____ 152

32. b. Would it be feasible to provide such information?

Yes (elaborate) Maybe No Don't know 153
1 2 3 4

_____ 154
_____ 155
_____ 156

33. a. If it was decided that information on product quality and durability should be provided, would it be preferable to do so by labelling or by setting standards?

Labels Standards Don't know 157
1 2 3

33. b. What practical concerns would you have in choosing between a voluntary as opposed to a mandatory requirement?

_____ 158
_____ 159
_____ 160

33. c. If a product quality and durability information were feasible and useful pieces of information, would industry favour self-regulation to government regulation in applying such information?

_____ 161
_____ 162
_____ 163

I. Range of Regulated Products

34. a. Could you suggest any products in the pre-packaged non-food sector for which the regulations for packaging, labelling or standardization administered by CCAC have not, in your opinion, proven to be worthwhile?

Yes (specify) No Don't know 164
1 2 3

34. b. Are you aware of any products which are presently unregulated which would benefit from regulation?

Yes (specify) No Don't know 165
1 2 3

35. For presently regulated products is there a need for any information which is not currently provided?

Yes No Don't know 166
1 2 3

i) date stamping 1

- ii) ingredient listing 2
- iii) other (specify) 167

3

J. Final Comments

- 36. Is there any other comment on any aspect of the regulations you would like to add to the above? 168

END OF INTERVIEW (DO NOT COMPLETE IN PRESENCE OF INTERVIEWEE)

K. Post-interview

- 37. How knowledgeable about the regulations would you say the interviewee was? 169

| | | | | | |
|---|------|---|---|------|--|
| 1 | 2 | 3 | 4 | 5 | |
| <hr style="width: 100%; border: 0.5px solid black;"/> | | | | | |
| not at all | some | | | very | |

- 38. The respondent's answers were made primarily with respect to which of the following pieces of legislation:

- i) Consumer Packaging and Labelling Act/Regulations 1
- ii) Precious Metals Marking Act 2
- iii) National Trade Mark and True Labelling Act 3
- iv) Fur Garments Labelling Regulations 4
- v) Watch Jewels Marking Regulations 5 170

CAAC/CCAC



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Siegel, Brenda
Consultations with industry

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