

October 9, 2009

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Via email: [andrew.mcalpine@cb-bc.gc.ca](mailto:andrew.mcalpine@cb-bc.gc.ca)

Dear Mr. McAlpine:

**Re: Enforcement Guidelines Relating to “Product of Canada” and “Made in Canada” Claims**

CCSPA is pleased to provide this input to the public consultation on the Enforcement Guidelines Relating to “Product of Canada” and “Made in Canada” Claims (the Guidelines), posted on the internet on July 10, 2009. We appreciate that we have been given a one-day extension to submit these comments by October 9, as CCSPA was not aware of this consultation until very recently.

CCSPA is a national trade association that represents 46 member companies across Canada, collectively a \$20 billion industry directly employing 12,000 people in over 100 facilities in Canada. Our companies manufacture, process, package and distribute consumer, industrial and institutional specialty products such as soaps and detergents, pest control products, aerosols, hard surface disinfectants, deodorizers and automotive chemicals.

Our members are committed to the safety and integrity of finished products made, imported to and sold in Canada, and welcome this opportunity to be engaged in the discussion on the Guidelines. CCSPA members support sound regulation and clear guidelines that protect the rights of consumers, support a fair and level playing field for business, and support Canada’s place in the international market.

Overall, we were surprised and somewhat confused with the proposed guidelines. The Competition Bureau has had guidance and enforcement at 51% for both Made in and Product of Canada claims since the early 1980s for non-food products. At less than 51%, the claims may be considered misleading. This has generally made sense and we are not aware of any problems or concerns.

We believe the 51% guideline remains appropriate for both claims, moving forward. We would like to understand why the Competition Bureau is now proposing to establish a new hurdle for non-food products of 98% for “Product of Canada” claims, while leaving “Made in Canada” claims at 51%. We are aware that the Canadian Food Inspection Agency (CFIA) is responsible for similar claims on food products and followed the Competition Bureau’s 51% guidance until December 2008. We do not know why, or on what basis, the CFIA decided to raise the percentage on “Product of Canada” claims, from 51% to 98%. Were there were some unique aspects of the food product supply chain and some examples that needed to be addressed?

For non-food products, we are not aware of issues with the current guidelines. Since the basis for enforcement remains the same – claims must not mislead, per the *Competition Act* – we see several significant issues with the proposed guidelines:

1. First, we ask what changed and why would 51% suddenly be “misleading” for “Product of Canada” claims if it has not been misleading for the past 25+ years. We are not aware of any issues in our industry. Please send us the sound rationale/explanation, which supports this change. If the federal government wishes to make a change for trade policy reasons, rather than to address a real concern about misleading claims, then enforcement Guidelines under the *Competition Act* are not the place to implement such policy.
2. Second, we wish to point out that this change will have a major impact on CCSPA member companies. In particular, it will penalize companies that are doing substantial processing in Canada (for example, between 51% and 97%) and suddenly learn that their labels are deemed unacceptable. If this is a trade policy decision, it may actually have the reverse intended effect and drive some of this processing out of Canada altogether. At minimum, a transition time of several years is needed for companies to rework their labels, as well as to rework product supply and production planning.
3. Finally, we wish to note that this may be the wrong time to take such a policy decision, when there are concerns about the U.S. “buy American” policy. This could be perceived as retaliation by the federal government and would only hurt Canadian companies trying to “sell Canadian” or “part Canadian” to our major trading partner. This is a very important issue for some member companies who currently have a North American mandate to make or produce product, in full or in part, that is sold across North America. These Canadian success stories are worth keeping as they retain and stimulate jobs and production in Canada.

CCSPA welcomes the opportunity to meet with the Competition Bureau to provide further insights on the issues we have raised. We urge the Competition Bureau to further consult with the regulated industry before deciding to move forward with a change for non-food products. As CCSPA has not been on the distribution list for any correspondence on this file, please add us to all future notifications related to any consultations on labelling or competition matters.

Thank you again for this opportunity, and we look forward to hearing from you on the next steps.

Sincerely,



Cheryl Fougere  
Director, Policy