

**COOPERATION ARRANGEMENT BETWEEN THE COMMISSIONER OF
COMPETITION, COMPETITION BUREAU OF THE GOVERNMENT OF
CANADA, AND THE UNITED STATES POSTAL INSPECTION SERVICE,
REGARDING THE APPLICATION
OF THEIR DECEPTIVE MARKETING PRACTICES LAWS**

The Commissioner of Competition, Competition Bureau of the Government of Canada (“Commissioner of Competition”) and the United States Postal Inspection Service (“USPIS”), (hereinafter referred to as the "Participants");

Recognizing that cooperation in enforcement activities and the coordination of such activities may, in appropriate cases, result in a more effective resolution of the Participants' respective deceptive marketing practices law concerns than would be attained through independent action;

Whereas the Government of Canada and the Government of the United States of America entered into an agreement (“the Agreement”) on August 3, 1995 which, among other things, called for establishing a “framework for cooperation and coordination with respect to enforcement of deceptive marketing practices laws”;

Whereas, pursuant to the Agreement, the Commissioner of Competition and the U.S. Federal Trade Commission, on September 10, 1996 established a U.S.-Canadian Task Force on Cross-Border Deceptive Marketing Practices to promote cooperation between law enforcement authorities in Canada and the U.S. respecting deceptive marketing practices with a cross-border component, and directed it to explore methods to improve cross-border information sharing and to seek to involve federal, state, provincial and local law enforcement authorities in cooperative efforts it developed;

Whereas, in April 1997 a Canada-U.S. Working Group on Telemarketing Fraud (“Working Group”) was established to prepare a report on ways to counter the serious and growing problem of deceptive cross-border telemarketing;

Whereas the Working Group's Report recognized that cooperation and sharing accurate information enables law enforcement agencies to avoid duplication and more quickly identify and prosecute ongoing fraud, deception and misleading marketing practices, and recommended expanding access to such information;

Whereas cooperation and information sharing pursuant to these efforts has resulted in a substantial number of law enforcement actions with a cross-border component, to the benefit of consumers and businesses in Canada and the United States;

Whereas the Participants are committed to the further implementation of the *OECD Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practices Across Borders*, adopted as a recommendation of the OECD Council in June 2003, which call for greater cooperation and information sharing in combating cross-border deceptive marketing practices; and

Whereas the Participants have been cooperating both directly with each other and in the Canadian regional partnerships primarily aimed at combating deceptive marketing practices with a cross-border component, they now wish to establish a more formal framework to facilitate further enforcement cooperation, coordination and information sharing.

Understand as follows:

I. PURPOSE AND DEFINITIONS

1. The purpose of this Arrangement is to promote cooperation, coordination and information sharing between the Participants;
2. In this Arrangement, these terms are to have the following definitions:
 - (a) (i) "deceptive marketing practices law(s)" means the statutory and regulatory provisions that address false or misleading representations or deceptive marketing practices laws, the administration and enforcement of which are charged to the Participants, as well as any amendments thereto, and such other statutory or regulatory provisions as the Participants may from time to time decide in writing to be a "deceptive marketing practices law(s)" for the purpose of this Arrangement.

(ii) For purposes of Article I.2(a)(i), the statutory and regulatory provisions charged to the Commissioner of Competition are referred to in Annex A to this Arrangement, while the statutory and regulatory provisions charged to USPIS are referred to in Annex B to this Arrangement.
 - (b) "Enforcement activity(ies)" means any investigation or proceeding conducted by a Participant in relation to the deceptive marketing practices laws it administers or enforces;
 - (c) "Territory" means the territory in which a Participant has jurisdiction; and
 - (d) "Canadian regional partnership" includes the Atlantic Partnership (Atlantic Provinces), Project Colt (Montreal, Quebec), the Toronto Strategic Partnership (Toronto, Ontario), the Alberta Partnership (Edmonton, Alberta), Project Emptor (Surrey, British Columbia), the Vancouver Strategic Alliance (Vancouver, British Columbia) and any future Canadian-based multi-agency partnership for the enforcement of deceptive marketing practices law in which both Participants are members.
3. Each Participant is to promptly notify the other of any amendments to its deceptive marketing practices laws.

II. NOTIFICATION

1. Subject to paragraph 5 of this Article and Article VI, each Participant is to notify the other Participant with respect to its enforcement activities that may affect the other Participant's interests in the application of its deceptive marketing practices laws, including those that:
 - (a) are relevant to the enforcement activities of the other Participant;
 - (b) involve any conduct that may be subject to penalties or other relief under the deceptive marketing practices law administered and enforced by the other Participant, except where such conduct is insubstantial;
 - (c) involve remedies that expressly require or prohibit conduct in the other Participant's territory or are otherwise directed at conduct in that territory;
 - (d) involve the seeking of information located in the other Participant's territory, whether by personal visit by officials of a Participant or otherwise, except with respect to telephone contacts with a person in the other Participant's territory where that person is not the subject of investigation and the contact seeks only an oral response on a voluntary basis;
 - (e) involve consideration by a Participant regarding the making of a request pursuant to the *Treaty between the Government of Canada and the Government of the United States of America on Mutual Legal Assistance in Criminal Matters*; and
 - (f) involve consideration by a Participant regarding the making of a request for extradition pursuant to the *Treaty on Extradition between Canada and the United States of America*.
2. Notification should ordinarily be given as soon as it becomes evident that notifiable circumstances are present.
3. Once notification has been given on a particular matter, subsequent notifications on that matter need not be made unless the notifying Participant becomes aware of new issues bearing on the interests of the other Participant in the application of its deceptive marketing practices laws, or unless the notified Participant requests otherwise.
4. Notifications are to include the nature of the activities under investigation and the deceptive marketing practices law provisions concerned, and are to be sufficiently detailed to enable the notified Participant to make an initial evaluation of the

effect of the activities on its interests in the application of its deceptive marketing practices laws.

5. Where an enforcement activity affecting the interests of both Participants is taking place in a Canadian regional partnership, notification under paragraph 1 of this Article is not required. However, where one Participant is involved in an enforcement activity of a Canadian regional partnership in which the other Participant is not involved, the involved Participant should inform the non-involved Participant at the partnership level of that activity in a timely fashion and with sufficient information in order that the latter may determine whether its interests are affected.

III. COOPERATION, COORDINATION AND INFORMATION SHARING

1. It is in the Participants' common interest to cooperate and share information where appropriate and practicable.
2. Where both Participants are pursuing enforcement activities with regard to the same or related matters, they are to endeavour to coordinate their enforcement activities and provide other assistance to the extent appropriate and practicable.
3. The Participants should use best efforts to negotiate and maintain a protocol for information sharing to make more efficient and effective the information sharing process between the Participants.

IV. AVOIDANCE OF CONFLICTS

1. It is in the Participants' common interest to minimize any potentially adverse effects of one Participant's enforcement activities on the other Participant's interests in the application of its deceptive marketing practices laws.
2. Where one Participant informs the other that a specific enforcement activity by the second Participant may affect the first Participant's interests in the application of its deceptive marketing practices laws, the second Participant is to endeavour to provide timely notice of significant developments relating to those interests and an opportunity to provide input regarding any proposed penalty or remedy.
3. Any questions arising out of this Arrangement are to be addressed in as timely and practicable a manner as circumstances permit.

V. MEETINGS

Representatives of the Participants are to meet, in person or by teleconference, periodically, as necessary, to:

- (a) exchange information on their enforcement efforts and priorities in relation to their deceptive marketing practices laws;
- (b) exchange information on sectors or areas of common interest;
- (c) discuss deceptive marketing practices law changes under consideration;
- (d) discuss matters of mutual interest relating to the application of their deceptive marketing practices laws or the operation of this Arrangement; and
- (e) any other matter that could further facilitate enforcement cooperation and coordination.

VI. EXISTING LAWS AND CONFIDENTIALITY OF INFORMATION

1. Nothing in this Arrangement requires a Participant to take any action, or to refrain from acting, in a manner inconsistent with existing laws, or requires any change in the laws of Canada or the United States.
2. Notwithstanding any other provision in this Arrangement, no Participant is required to communicate information to the other Participant if such communication would be incompatible with its interests in the application of its deceptive marketing practices laws. No information is to be communicated pursuant to this Arrangement which could not have been communicated in the absence of this Arrangement.
3. The degree to which one Participant communicates information to the other pursuant to this Arrangement may be subject to, and dependent upon, the acceptability of the assurances given by the other Participant with respect to confidentiality and with respect to the purposes for which the information is to be used.
4. Unless otherwise decided by the Participants, each Participant should, to the fullest extent possible, maintain the confidentiality of any information communicated to it in confidence by the other Participant. Each Participant should oppose, to the fullest extent possible consistent with that Participant's laws, any request by a third party for communication of such confidential information, unless the Participant providing the confidential information consents in writing to its communication.

VII. COMMUNICATIONS UNDER THIS ARRANGEMENT

Each Participant is to designate a contact person for communications under this Arrangement and is to notify the other Participant in writing of that designation and any subsequent change. Communication between the Participants with respect to any matter related to this Arrangement, including any request for or provision of information or assistance, should initially be between the designated contact persons.

VIII. FINAL PROVISIONS

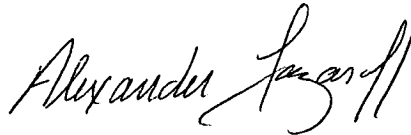
1. This Arrangement becomes effective on the date of signature.
2. This Arrangement remains effective until 60 days after the date on which either Participant notifies the other in writing that it wishes to terminate.

IN WITNESS WHEREOF, the undersigned, have signed this Arrangement.

DONE at Washington, United States of America, in duplicate, this 28th day of March, 2008, in the English and French languages.



For the Commissioner of
Competition, Competition
Bureau of the Government
of Canada



For the United States Postal
Inspection Service

Annex A

“Deceptive marketing practices law(s)” charged to the Commissioner of Competition:

- (a) the *Competition Act*, R.S.C. 1985, c. C-34, sections 52 to 60 and Part VII.1;
- (b) the *Consumer Packaging and Labelling Act*, R.S.C. 1985, c. C-38;
- (c) the *Consumer Packaging and Labelling Regulations*, C.R.C., c. 417;
- (d) the *Precious Metals Marking Act*, R.S.C. 1985, c. P-19;
- (e) the *Precious Metals Marking Regulations*, C.R.C., c. 1551;
- (f) the *Textile Labelling Act*, R.S.C. 1985, c. T-10; and
- (g) the *Textile Labelling and Advertising Regulations*, C.R.C., c. 1303.

Annex B

“Deceptive marketing practices law(s)” charged to the USPIS:

- (a) statutes concerning mailability, false representations and lotteries in Title 39, United States Code, Sections 3001 through 3012, and related regulations contained at Part 12 of Section 601 of the Domestic Mail Manual, which is incorporated by reference at Title 39, Code of Federal Regulations, Section 233;
- (b) the mail fraud statute, Title 18, United States Code, Section 1341, when applicable to deceptive marketing practices; and
- (c) deceptive marketing practices involving use of the United States mail in furtherance of a scheme or artifice to defraud in violation of Title 18, United States Code, Sections 1342, Fictitious name and address; 1343, Fraud by wire, radio or television; 1344, Bank Fraud; 1345, Injunctions against Fraud; 1347, Health Care Fraud; 1348 Securities Fraud; and 1349, Attempt and Conspiracy.