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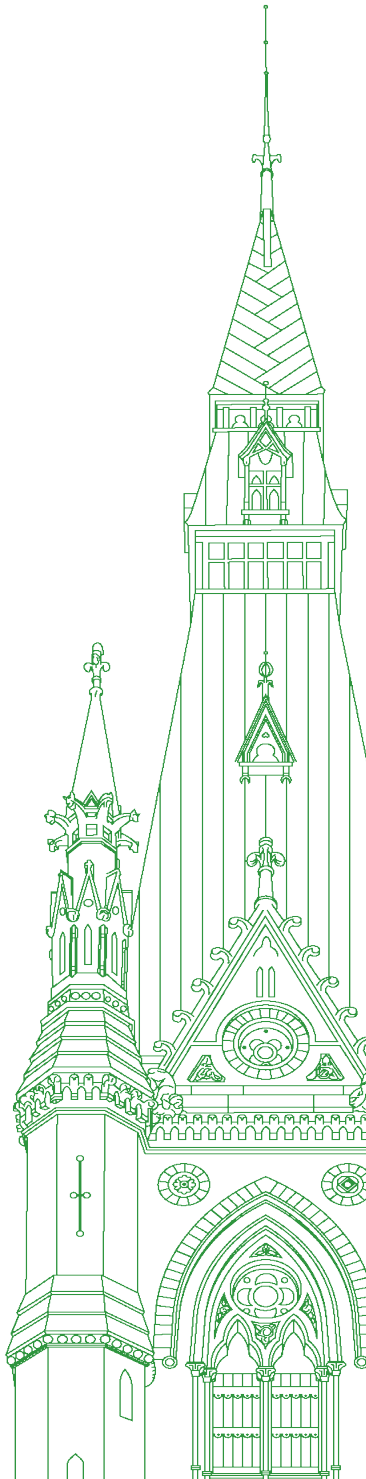

Chair: The Honourable Judy A. Sgro

Standing Committee on International Trade

Thursday, November 2, 2023

● (1100)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call this meeting to order.

Welcome to meeting number 79 of the Standing Committee on International Trade. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Therefore, members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of the witnesses and members. Please wait until I recognize you by name before speaking. When speaking, please speak slowly and clearly. For those online, please mute yourselves when you are not speaking. I will remind you that all comments should be addressed through the chair. Members in the room, if you wish to speak, please raise your hand. Members online, please use the "raise hand" function.

For interpretation online, you have the choice, at the bottom of your screen, of floor, English or French. Those in the room can use the earpiece and select the desired channel. If interpretation is lost, please inform me immediately, and we will ensure that interpretation is properly restored before resuming the proceedings. I ask all participants to be careful when handling the earpieces in order to prevent feedback. Feedback can be extremely harmful to our interpreters and can cause serious injuries. I invite participants to speak into the same microphone that their earpiece is plugged into and to place earpieces away from the microphone when they are not in use.

I welcome all of our witnesses this morning, specifically Mr. Côté.

It's nice to see you here in person today.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, October 17, 2023, the committee is resuming its study of Canada's proposed biocides regulation.

We have with us, from the Association pour le développement et l'innovation en chimie au Québec, André Côté, member, board of directors. From CropLife Canada, we have Gregory Kolz, vice-president, government affairs; and Émilie Bergeron, vice-president, chemistry. From Food, Health & Consumer Products of Canada, we have Gerry Harrington, senior vice-president, consumer health; and from Flexo Products Limited, we have Stephen Parker, president and chief executive officer.

Welcome, again, to all of you. We will start with opening remarks, and we will then proceed with questions from the committee members.

Monsieur Côté, I invite you to present for up to five minutes, please.

[*Translation*]

Mr. André Côté (Member, Board of Directors, Association pour le développement et l'innovation en chimie au Québec): Good morning.

Before I begin, I want to thank the committee for allowing me to speak after all the technical difficulties that occurred on Tuesday. I am here as a regulations expert and as a member of the board of the Association pour le développement et l'innovation en chimie au Québec, or ADICQ. I have worked in the product approvals field with Canadian authorities for more than 20 years.

The proposed biocides regulations are not new. Starting in 2016, together with many representatives of other associations, I attended preliminary meetings on the subject, during which Health Canada was already proposing a use of foreign decisions, or UFD, pathway for access to the Canadian market.

Since 2016, ADICQ and other industrial associations have expressed their disagreement with Health Canada's unrealistic implementation timeline for small and medium-sized businesses, or SMEs.

The overall objective of the proposed biocides regulations is to establish a new framework for certain product categories, essentially disinfectants and hard-surface and textile sanitizers, as well as food-contact surface sanitizers.

The Canadian industry is being asked to approve products based on a new approach that has never previously been requested for this product category in Canada. It is also being asked to approve products that are not currently approved.

Since 2014, food-contact surface sanitizers have no longer been subject to a Health Canada evaluation before being marketed. The Safe Food for Canadians Regulations discontinued the examination that had previously been required.

We know that 1,918 food-contact surface sanitizer products were subject to a Health Canada evaluation when the regulations were amended in 2014.

The deregulation hasn't changed much in industrial practice. Food-contact surface sanitizers are still in use, but none is currently approved. As a result, no Canadian company doing business exclusively in Canada holds an approval for this type of product.

That is simply because the product category doesn't currently exist in Canada. When the biocides regulations come into force, some 700 to 800 food-contact surface sanitizers will have to be approved under the new regulations.

You should note that approval of food-contact surface sanitizers has been mandatory in the United States for decades. All companies headquartered in the United States or marketing this type of product on American soil already hold foreign approvals.

When the proposed biocides regulations come into force, the use of foreign decisions will enable products approved in the United States to enter the Canadian market immediately to the detriment of Canadian manufacturers, which would have to have their products approved before putting them on the market.

This kind of treatment is unfair and threatens international market equilibrium as it would clearly favour American products on Canadian soil, and Canadian manufacturers would be subject to significant delays. From a technical and regulatory standpoint, Canada is going it alone relative to the other G7 countries.

Contrary to what was suggested earlier this week, it is not because two regulatory processes involve the same protocols and methods that they are equivalent. In all G7 countries, human beings are treated with drugs such as penicillin, and services are treated with disinfectants such as bleach, for example. In every other G7 country, one set of regulations has been put in place for disinfectants and another for drugs.

The situation is different in Canada. You have to understand that, here, we “treat” a table with a “drug”, that is, a medication, to prevent a disease. According to the Canadian definition of the word “drug”, as provided in the Food and Drugs Act, bleach and penicillin are equivalent drugs. They are treated in accordance with the same principles, and that is precisely why the natural and non-prescription health products directorate manages approvals of disinfectants in Canada.

We welcome Health Canada's wish to align Canada's regulations with the international regulations adopted in the other G7 countries by proposing these biocides regulations. Unfortunately, the proposed regulations, in their current form, are far from comparable with the other regulations that earlier were alleged to be “equivalent”.

Implementation of these regulations would require Canadian businesses to comply with them, which is entirely normal, but within a framework that has already been in use elsewhere in the world for many years.

Consequently, Canadian manufacturers will have to prepare a submission in order to comply with the new requirements and to wait for Health Canada to reach a decision on their submissions. In the meantime, the use of foreign decisions will permit the de facto entry into Canada of products previously approved outside the country.

In ADICQ's view, the only way for the Government of Canada to be fair is to allow the Canadian industry to comply with the regulatory framework before permitting the use of foreign decisions.

In the circumstances, we request a two- to five-year moratorium before any use is made of foreign decisions. That moratorium will enable the Canadian industry to catch up and, more particularly, allow Health Canada to determine whether a foreign authority is competent to support the approval of biocides in Canada.

Thank you.

● (1105)

[*English*]

The Chair: Thank you very much, Monsieur Côté.

Mr. Kolz or Ms. Bergeron, whoever would like to go, you have up to five minutes, please.

Mr. Gregory Kolz (Vice-President, Government Affairs, CropLife Canada): Thank you.

Good morning, honourable members. My name is Gregory Kolz. I am vice-president of government affairs at CropLife Canada. I'm joined today by my colleague Émilie Bergeron, vice-president of chemistry.

Both Émilie and I were very pleased to participate in this committee's recent study on non-tariff trade barriers. We're equally happy to appear today as part of your current review of proposed biocides regulations and the potential trade impacts these may have on certain Canadian sectors.

CropLife Canada represents the Canadian manufacturers, developers and distributors of pest control and modern plant-breeding products. While our organization's primary focus is on providing tools to help farmers be more productive and more sustainable, our membership also develops products for use in a wide range of non-agricultural settings. These include urban green spaces, public health settings and transportation corridors.

Globally, biocides are sometimes classified as a type of pesticide. In some jurisdictions, the words “biocides” and “pesticides” are used interchangeably. For instance, the World Health Organization defines biocides as chemicals that “kill pests, including insects, rodents, fungi and unwanted plants”.

That said, as you heard from the government officials during your last meeting, Health Canada defines biocides as “surface sanitizers” and “disinfectants” that are regulated under separate regulations in Canada. Currently, disinfectants are regulated under the Food and Drugs Act, while surface sanitizers fall under the Pest Control Products Act.

While CropLife Canada's members do not manufacture biocides as defined in Canada, our interest in today's study is in the model this innovative regulation provides to the government in terms of how to make the regulatory system more efficient while ensuring that the same level of protection is achieved for Canadians.

● (1110)

[*Translation*]

Ms. Émilie Bergeron (Vice-President, Chemistry, CropLife Canada): CropLife Canada is championing a regulatory environment that both protects human and environmental safety, and encourages innovation and competitiveness. We are advocating for science-based regulations—both federally and provincially—that allow farmers access to the latest tools they need to safely and sustainably grow our food and compete on a global stage.

The proposed framework that is being examined by this committee aims to create a regulatory pathway for biocides within Health Canada that supports regulatory alignment, facilitates trade, reduces unnecessary regulatory burden, and encourages new infection prevention and control innovations to be brought to the Canadian marketplace.

While CropLife Canada has not been directly involved in Health Canada's pre-consultations on this specific proposed framework, we are very much in favour of recommendations that support and further strengthen existing regulations, while at the same time reduce red tape, enhance efficiency and promote greater access to innovative products for Canadians.

We strongly believe the Canadian government can best protect market access and the competitiveness of Canadian businesses by remaining science-based, focusing on product safety, and being transparent about their decisions.

To encourage regulatory reform efforts, CropLife Canada will continue to advocate for regulatory alignment with like-minded countries that share our science and risk-based approach to regulation and work to achieve similar levels of protection.

In an environment where resources are limited and regulatory efficiencies are needed, we need to ensure innovative approaches like this one are promoted and facilitated in order to ensure the long-term sustainability of our regulatory system.

[*English*]

Mr. Gregory Kolz: Once again, it is worth noting that Canada is a net food exporter and the fifth-largest agricultural exporter globally. We produce some of the highest-quality and most sought-after products in the world, but we need predictable, transparent and science-based trade rules with our major trading partners in order to get our products to market.

As mentioned, CropLife Canada fully supports regulatory approaches that help create a more competitive business environment, facilitate trade and remove barriers to market entry, while ensuring that they continue to protect the health and safety of Canadians and the environment. In order to grow crops sustainably and profitably, Canadian growers require access to plant science innovation such as crop protection products and modern plant-breeding technologies. As is the case for biocides, a science-based, efficient regulatory system is the best way to achieve this objective.

Thank you, honourable members, for inviting us to appear today. We appreciate this opportunity to share our perspective.

We look forward to taking any questions you may have.

[*Translation*]

Thank you.

[*English*]

The Chair: Thank you very much.

We will now go to Mr. Harrington for up to five minutes, please.

Mr. Gerry Harrington (Senior Vice-President, Consumer Health, Food, Health & Consumer Products of Canada): Thank you, Madam Chair and members of the committee, for this opportunity to provide Food, Health & Consumer Products of Canada's perspective on the proposed biocides regulations.

Food, health and consumer products sectors employ nearly 300,000 Canadians in businesses of all sizes across the country that manufacture and distribute the safe, high-quality products that are at the heart of healthy homes, healthy communities and a healthy Canada.

FHCP strongly supports the proposed biocides regulations.

The two key types of products captured by the proposed regulations—surface sanitizers and disinfectants—are currently governed under two separate pieces of legislation, the Food and Drugs Act and the Pest Control Products Act, and regulated by separate agencies. Given that these products have similar risk profiles and are used under similar conditions, this approach is cumbersome and inefficient for both government and industry. A single framework and regulator, as proposed under these regulations, is an important step forward for all, especially for consumers and taxpayers.

The COVID pandemic underlined the importance of sanitizers and disinfectants to all Canadians, as well as the vulnerability of our supply of these products. Through the extraordinary efforts of Health Canada and a broad range of Canadian companies, those supplies were bolstered by virtue of an interim order by the minister that allowed them to be authorized for sale in Canada based on foreign approvals. One of the key benefits of the proposed biocides regulations, in our view, is the creation of a permanent pathway for the use of decisions by trusted foreign regulators in authorizing products for sale in Canada.

FHCP is very encouraged to see Health Canada apply the lessons learned during the pandemic to modernize the framework. The “use of foreign decisions” provisions will create more competition and innovation in the marketplace, increasing consumer choice and, in so doing, will ease some of the inflationary pressure on these products. The UFD provisions do not compromise safety for Canadian product approvals. The ambulatory list of trusted regulators whose decisions can be leveraged is limited to those whose approval criteria align with those of Health Canada.

Since the supply chains for these products are generally North American in scope, it is natural that the United States Environmental Protection Agency is the first foreign regulator to appear on this list, but the regulations provide a process and pathway for other regulators to be qualified and to further increase the opportunities to reduce the amount of resources going to redundant reviews of the same safety information against the same criteria and generating the same outcomes.

Once approved, these products will be subject to the same postmarket oversight by Health Canada as all other licensed products. Should that postmarket experience result in questions about the safety of a product, all of the authorities from Vanessa's Law will be available to compel manufacturers to submit additional safety information, including the information submitted to the original foreign regulator.

Given the absence of any compromise on consumer safety and other regulatory outcomes, the appropriate use of foreign decisions in product regulation offers a great opportunity to drive costs out of the system and increase competition. This would give consumers more choice and more competitive pricing at a time when the cost of living is a significant concern for so many.

Canadian manufacturers can be very competitive, but many organizations, including the World Economic Forum, have noted a decline in our competitiveness and cite burdensome regulations as a principal cause of that decline. Regulatory modernization can have a dramatic impact on international competitiveness.

In the decade that followed the introduction of the natural health products regulations in 2004, we saw exports of these products more than double in Canada, to over a billion dollars. That is a growth rate in exports of more than double the overall average for Canadian manufacturing. This was because those new regulations were internationally recognized as being both robust and class leading and, at the same time, provided an efficient pathway for innovative products to reach market.

Only time will tell whether the biocides regulations will have a similar effect, but making the marketplace for these products more competitive is not something we should fear.

● (1115)

[*Translation*]

Thank you, Madam Chair.

I'm ready to answer questions from members of the committee.

[*English*]

The Chair: Thank you very much, Mr. Harrington.

We'll go on to Mr. Parker, please.

Mr. Stephen Parker (President and Chief Executive Officer, Flexo Products Limited): Thank you, Madam Chair.

I appreciate that the committee has undertaken a review of this subject and that you have invited me to speak.

I am the owner of Flexo Products, a Canadian company that's been in Niagara Falls since 1918. I'm the great-grandson of the founder. My son, who will be the fifth generation, has also joined our company. I have an engineering degree and an MBA from the University of Toronto, and I'm a registered professional engineer in the province of Ontario.

My company employs 85 people and is a manufacturer and distributor of cleaning chemicals and supplies to industrial customers. We stock 7,000 products in seven warehouses. We sell these products to school boards, day cares, health clubs, universities, nursing homes, cleaning contractors, hotels, restaurants and industry. We are both a manufacturer and a distributor to end-users. We make approximately 60,000 deliveries a year in our own trucks. During COVID, my company was on the front lines, trying to fulfill the requirements of customers for not only biocides but also other needed supplies, such as hand sanitizers, gloves and masks.

My company has been making registered biocides for over 35 years. We currently have a list of 26 products in the Health Canada drug product database. While the current regulations have been effective over the years, we welcome the development of a new category of regulated products through the creation of a single framework.

When our company decides to produce a new disinfectant cleaner, we reach out to various producers of biocidal active ingredients to find an appropriate formula for our needs. These companies, all based in the U.S., own master registrations and have completed all the work to prove to Health Canada that their formula has verified biocidal claims. Our registration documents go to Health Canada, together with a letter of authorization from the raw material manufacturer and a label proposed by us. We wait for our notice of compliance. Upon approval, we buy the main disinfectant raw material and make the product in our facility.

The majority of manufacturers in Canada would not have the resources to make and sustain the necessary biocidal claims without the work the U.S. companies perform for us. Typical testing to certify a new product costs over half a million dollars per product. There are no guaranteed results. As new bacteria and viruses arise, we rely on these companies to update their claims, so we can update ours. During COVID, as a result of their work, we were able to update labelling on many of our products. The Canadian market needs these companies and their R and D. We need access to new technologies. Most current biocides are made from corrosive and sometimes flammable raw materials, and the push for safer and greener products in our environment requires new technology.

There's no shortage of Canadian manufacturing capacity to make the end-use product. Our company and many of my competitors in Canada have highly scalable facilities. Our biggest problem during COVID was not that we didn't have the proper products to kill the virus, or that we couldn't get the appropriate label claims. In fact, during COVID, Health Canada staff were very responsive. They gave us excellent support and worked overtime to process requests. The real problem was that we could not get enough of the raw materials in a timely manner. We need to consider how to ensure we get these raw materials should another pandemic occur.

The financial impact to Canadian manufacturers of recognizing foreign registration is a dual-edged sword. We need the U.S. registrations and their technologies. What will likely come is more U.S. manufacturers selling their products into Canada. It will cause a reduction in sales among domestic manufacturers. The moderately reduced fees that have been proposed for Canadian manufacturers in no way mitigate that problem.

I was happy to see the new regulations propose changes to labelling. I get to see and talk to many end-use customers. I would like to suggest that the labelling of bottles be reviewed with more emphasis on helping the end-user. Many users in janitorial positions do not have the education or expertise to fully understand all the information on existing labels. Current labels are frequently packed with huge amounts of data not needed for the application of the product.

In the scope of the new biocides regulations, it was proposed to exclude air sanitizers at this time. During COVID, one of the major requests from customers was to help them sanitize rooms through the use of hand-held sprayers. Huge amounts of sanitizers were sold for this use. It is a potentially dangerous operation to perform without proper safety standards. Should another similar pandemic arise, there will be countless people once again wanting to do this, and I would suggest that regulations on air sanitization be reviewed as soon as possible.

● (1120)

I appreciate the time you have afforded me. I look forward to your questions and comments.

The Chair: Thank you very much, Mr. Parker.

We will now go to the members.

We have Mr. Martel for six minutes.

[*Translation*]

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Thanks to the witnesses for being with us today.

Mr. Côté, from what I understood of the testimony given by the Health Canada representatives, the standard that Canada uses is the internationally adopted one.

Would you please explain that to us?

Mr. André Côté: Product effectiveness isn't at issue in Canada. The quality of Canada's products is equivalent to that of other countries. Bleach made in Canada is as effective as that produced in the United States or Europe.

The problem is that approval requirements are different in Canada. Canadians aren't asked to meet the same requirements to approve bleach produced here as the United States asks of its manufacturers.

It isn't a matter of capacity or product quality, but rather of process. When Health Canada alleges that the processes are similar, that's false. The processes are very different, and they result in similar products.

Mr. Richard Martel: So does that have an impact on the principle of reciprocity?

Mr. André Côté: No reciprocity is possible because the present Canadian system, and even what's provided in the proposed regulations, don't align with what's happening in Europe and the United States.

Mr. Richard Martel: Regrouping biocides within a common regulatory framework should simplify the administrative burden.

What you think about that?

Mr. André Côté: It would simplify matters for foreign businesses wanting to do business in Canada.

The burden will be the same for Canadian companies wanting to have a product approved. There is no regulatory framework right now. It's new for the entire Canadian industry. The proposed biocides regulations are new. No one in the national industry in Canada holds approvals under those regulations.

However, the Americans and Europeans have approved products. What we're saying is that we simply have to pay attention. The scientific and technical basis isn't in question. The Canadian industry must be allowed to comply with the regulatory framework before foreign companies are allowed to come and compete with our products in Canada. That's all this is about.

● (1125)

Mr. Richard Martel: Do you think a one-year delay is enough? What's being suggested is 90 days.

Mr. André Côté: When the new regulations come into force, a Canadian company operating nationally will first have to conduct efficacy tests. That will cost it thousands of dollars. As Mr. Parker said earlier, those tests are very costly, and waiting times for results are from 3 to 12 months.

Then it will have to prepare a file and submit it to Health Canada. It will also incur further costs of $10,000 to $12,000 to open the file.

Lastly, the company will have to wait 9 to 12 months for Canadian authorities to process the file. In all, the process will take 12 to 24 months, and the company will have spent $10,000 to $12,000, not including research and development costs.

In the meantime, for the same product in the United States, a company will file an expedited administrative application, pay $3,500 USD and receive approval for its product within three months. That's possible when the American regulatory file is deemed in order.

Our view is that we should wait before allowing an American file to be submitted in Canada; in other words, we should waive the 12- to 24-month period imposed under the new regulations for every Canadian company. We think it will take two to five years for Health Canada to complete the entire process.

There are precedents for this. When the natural and non-prescription health products directorate was created, it took seven years to process applications. Now, five years after the Safe Food for Canadians Regulations came into force, we're still issuing establishment licences. That's not what was planned.

We don't mean to attack the Health Canada people, but it is what it is. Implementation delays are always longer and more complicated than anticipated. That's the situation we have to face.

Mr. Richard Martel: Thank you, Mr. Côté.

Mr. Parker, your website indicates that your company manufactures a variety of cleaning products.

Is that correct?

[*English*]

Mr. Stephen Parker: That's correct. Yes.

[*Translation*]

Mr. Richard Martel: You will obviously be affected by this new regulation, will you not?

[*English*]

Mr. Stephen Parker: Yes. It will.

[*Translation*]

Mr. Richard Martel: Could you tell us about what impact the regulatory changes will have on your ability to innovate?

[*English*]

Mr. Stephen Parker: At our size, we use third parties generally out of the U.S. that have registrations in Canada, so we do not invent new products. We take existing products that have been registered, and, as do maybe 80% or 90% of the people in our industry, we market them. The new regulations for us will just be something that we will follow, and we will adapt to that.

[*Translation*]

Mr. Richard Martel: In light of what we experienced during the COVID-19 pandemic, do you think that Canada is currently able to meet its own needs? In other words, could Canada be self-sufficient if we wanted to be?

[*English*]

Mr. Stephen Parker: Do you mean can we put out the litres of product we would need for another pandemic?

Yes, I believe that there is Canadian manufacturing capacity. There is no issue with that. The issue is getting the raw materials we need during a pandemic. That was the problem in the last one.

The Chair: Thank you very much.

We go on to Mr. Arya.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Mr. Parker, thank you so much for coming. Your family is quite motivational. This is the fifth generation, you said. Instead of thanking your grandfather or you or others, I think I would thank your son for taking over the business. We need more manufacturing here.

To summarize some of the things you said, you said that you don't invent new products here possibly because of the economies of scale or because of the technical complications involved. That's my understanding. Correct me later if I am wrong.

You also said that about 80% of Canadian manufacturers get products that have been developed elsewhere and manufacture them here. You also said that testing costs about half a million dollars and that there's no shortage of manufacturing capacity here in Canada, but the problem you faced during the pandemic was the availability of raw materials.

If my understanding of all these things is correct, your major solution is very important for the committee to review: that, in the labelling, we should focus more on the end-user because of the knowledge gap that may be there in the end-user who uses the product.

That is my understanding of what you said. My question for you includes two things. One is that Mr. Côté said that Canadian manufacturers need a moratorium, because 80% of Canadian manufacturers use products that are already being invented elsewhere. Do you think that a long moratorium is required?

● (1130)

Mr. Stephen Parker: Just to clarify, we invent new products, and we have development chemists for that, but we don't invent new disinfecting cleaners.

I think the time frame is very tight. I know that Health Canada did a great job during COVID turning things over. The nicest way I can say it is that they've slowed down on their approvals now.

Mr. Chandra Arya: Do you export?

Mr. Stephen Parker: Not disinfectants. I'm not allowed to do that because selling to the U.S. currently requires EPA, and I don't have that.

Mr. Chandra Arya: Are you suggesting, as Mr. Côté suggested, that we need reciprocity with the EPA?

Mr. Stephen Parker: Yes, but it would be very hard to sell products into the U.S.. It's not only the chemical side of it or the EPA. It's also the logistics side and the legal side. They look at all their states individually, so you have to get registration in each state instead of with one like in Canada.

Mr. Chandra Arya: Thank you.

Mr. Kolz, now that you're here as a witness, why didn't you participate in the consultations?

Mr. Gregory Kolz: I think that's because our membership does not produce biocides.

Mr. Chandra Arya: Why are you here then?

Mr. Gregory Kolz: In this case, the parallels between what we deal with and what our members are producing, and—

Mr. Chandra Arya: Okay.

Ms. Bergeron, you did mention that you like science-based regulations. Is there anything in the regulations that is not science-based?

Ms. Émilie Bergeron: We're not here to talk about the details of the regulations. What we—

Mr. Chandra Arya: You mentioned, in your testimony, science-based regulations.

Ms. Émilie Bergeron: Yes.

Mr. Chandra Arya: Is there anything in the current regulations that is not science-based?

Ms. Émilie Bergeron: I don't know about this particular regulation.

Mr. Chandra Arya: Okay. Thank you.

You also said that we have to align with like-minded countries like the U.S. with its EPA. Did you know, under President Trump, there were more than 100 regulations changed, including in the Clean Water Act? Do you still trust the EPA 100% when it comes to regulations?

Ms. Émilie Bergeron: I think it's something we have to review on a case-by-case basis and when it makes sense, when a country's approach is science-based—

Mr. Chandra Arya: The regulations say that for friendly countries—that is basically the EPA—if you are registered there, you are good to use it here. Where does that case-by-case basis come from?

Ms. Émilie Bergeron: In terms of looking at regulations, I think we have to be very careful in how we approach aligning with other jurisdictions or even, in this case, leveraging decisions. We have to make sure that we're meeting the same level of protection and that the system or the regulation itself is based on the same science—

Mr. Chandra Arya: Mr. Harrington, you mentioned that the exports doubled because of the change in regulations. Changing Canadian regulations, did that help Canadian manufacturers to export?

Mr. Gerry Harrington: Yes.

Mr. Chandra Arya: Okay, that's good. When you talked about more competition, innovation and consumer choice, these are the kinds of words I hear when people want more imports to come in. I hope that you also speak for the domestic manufacturers.

Mr. Gerry Harrington: One hundred per cent. That's precisely what my point was. That was an example of where modernized regulations made Canadian manufacturers' products more attractive outside the country and actually created export opportunities.

● (1135)

Mr. Chandra Arya: Thank you.

The Chair: You have 23 seconds remaining.

Mr. Chandra Arya: Okay. My last question is for Mr. Parker.

Is there anything else that we should focus on in relation to labelling, as you mentioned?

Mr. Stephen Parker: I don't know how we'd do it, but I think it's important that we have some sort of pandemic response where we're guaranteed a certain amount of raw materials, because I had products turned around at the border. I thought I was getting them, and the border said, “No, these products aren't leaving the U.S.” The same thing's going to happen whether it's U.S. manufacturers or Canadian. Products aren't going to come in to Canada in the way we're going to need them to.

The Chair: Thank you very much.

We now go to Mr. Savard-Tremblay for six minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you, Madam Chair.

I thank the witnesses for being here with us today.

Mr. Côté, we heard from an association member last Tuesday. In answer to a question from one of my colleagues opposite, he indicated that the interests are rather closely aligned with those of American companies, considering the business volume.

Who are your customers? Who are the members of your association?

Mr. André Côté: Nearly 99% of our customers are Quebec SMEs who do business on the Canadian market.

Mr. Simon-Pierre Savard-Tremblay: Thank you.

We also heard from Health Canada officials. According to them, if the protocols are identical, then the process will be too. You briefly explained that such was not the case, particularly in terms of delays. Please feel free to elaborate on that if you'd like.

I would like you to tell us a little bit more about what makes Canada's regulations different from those of the United States. When it comes to regulatory alignment, we are talking about reciprocity, or regulations that are similar if not identical.

What are your thoughts on that?

Mr. André Côté: That is the problem. The differences in the regulations cause a lot of confusion.

On Tuesday, I heard Mr. Cannings explain how confusing this was, and I think there is a general consensus in that regard. Canada lumped everything together and looks at everything from a drug perspective. It applies the drug regulations to all of these products. These regulations apply to the pharmaceutical industry and they are accompanied by pharmacovigilance principles, clinical studies and everything that is involved in that. In Canada, the same regulations that apply to drugs also apply to disinfectants.

That means that, unlike the United States Environmental Protection Agency, or EPA, and unlike the European Chemicals Agency, which implemented the REACH regulations, Canada does not review the raw materials that will make up a disinfectant. We do not do any toxicological reviews or reviews of the environmental fate of those materials. We assess the quality or suitability of a disinfectant based on the drug criteria. We look at whether the product will reduce something or prevent a disease. In Canada, we do not look at whether a disinfectant will make surfaces cleaner or more hygienic.

That is the difference in the regulations, and that is what is preventing Canadian companies from doing business in the U.S.

Mr. Simon-Pierre Savard-Tremblay: What is happening in other G7 countries?

Mr. André Côté: Basically, Europe operates on pretty much the same principle as the United States. There is a comprehensive assessment of raw materials to check several aspects, including toxicology, safety and the environment. Everything is described in detail. It is only at the end of that process that the product is registered, if everything meets the requirements.

In Canada, the process is the same one that is used for drugs. Product specifications must be established and guaranteed, period. That is why Canadian companies cannot compete with products made in other G7 countries. The regulatory framework is not the same.

Mr. Simon-Pierre Savard-Tremblay: You talked a little bit about surface cleaners that come into contact with food.

Can you elaborate on this?

Mr. André Côté: This is an essential product category. A prime example is food factories. I know them well, as I've been going into them for years now. Factories are cleaned from top to bottom every night. Cleaning staff are dedicated to this and work very hard. They have to sanitize all surfaces that come into contact with food. The cleaning is usually complete by about 4 a.m. Federal and provincial inspectors then check the premises. For instance, Canadian Food Inspection Agency inspectors might show up at the plant around 7 a.m. to confirm that all surfaces are free of micro-organisms. This must be done before the plant can restart operations.

Currently, sanitizers are the main products that are not regulated. There are currently no companies with a drug identification number, or DIN. No products are registered for this kind of application. In contrast, if we look at the same activity in an American food plant, the sanitizer used in the morning prior to the day's operations will have EPA certification.

That's the problem. What we're saying is that we just need to give the Canadian industry time to get its products approved in Canada, so that they can be on an equal footing with products from other countries. Once that is done, once Canadian companies comply with Canadian regulations, all products will be assessed on the same basis. Then it will be time to think about allowing foreign companies to offer their products here.

● (1140)

Mr. Simon-Pierre Savard-Tremblay: As I understand it, the EPA is not the equivalent of Health Canada. It's more like the Canadian Food Inspection Agency.

Do I have that right?

Mr. André Côté: The EPA is actually more the equivalent of the Pest Management Regulatory Agency, or PMRA, and the U.S. Environmental Protection Act is much more similar to the Pest Control Products Act in Canada.

Mr. Simon-Pierre Savard-Tremblay: Shouldn't we just put this before the courts?

Mr. André Côté: Twenty years ago, a little before I began my career, I learned in dribs and drabs that there had been a memorable squabble between officials at the Pest Management Regulatory Agency and Health Canada officials in the therapeutic products directorate at the time.

Unfortunately, the officials in the therapeutic products directorate lost the fight, and are now faced with a thorny problem. According to the Canadian definition, a disinfectant is a “drug”, because the product is designed to prevent a disease on a surface. In Canada, as I said earlier, a table is “treated”. That is what the officials told you on Tuesday. Surfaces are treated to prevent disease from being transmitted to humans. That forms the basis of Canadian regulations, and that's why linking them to U.S. or G7 regulations doesn't work.

Mr. Simon-Pierre Savard-Tremblay: Do you think the department or oversight body should change?

Mr. André Côté: Yes, I think so.

[*English*]

The Chair: Thank you very much, Mr. Savard-Tremblay.

Thank you. That's—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Was that last answer recorded?

[*English*]

The Chair: Yes, we got that. Thank you.

We go now to Mr. Cannings for six minutes.

Go ahead, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

Thank you all for being here.

Thank you especially, Monsieur Côté, for coming here again. I'm glad to hear it. I think you pointed out that I was confused on Tuesday, and I think maybe we all were in some ways. I admit that I was confused, and I think you've helped clear up that confusion.

What we were hearing on Tuesday was that there was some unfairness between American and Canadian companies trying to register their products. The American companies apparently had an advantage because they were already registered through the EPA, whereas Canadian companies had to register their products here or had to get them approved.

My initial thought on that, as you heard, was that they had to do it through the EPA and we have to do it our way, so how is that unfair?

Again, maybe you can clear up my confusion. What you're saying here today is that those companies here in Canada have not had to register their products until now, so is this a new thing? We've been just selling products that weren't approved in any way and they had to have them approved, and that's where they're ahead of us. Is that it?

Mr. André Côté: Not exactly.

Disinfectants are regulated in Canada—period. You carry a DIN and you get to demonstrate and register your product, but not according to the new rules. The new rules align with the rule that already exists in the U.S. That's the problem.

[*Translation*]

Currently, our regulatory structure for product registration is not equivalent to that of the United States. What we are asking of Canadian companies today is different from what the new regulations will require of them. The new regulations are modelled on and aligned with the U.S. regulations. That's really where the problem lies.

Once everyone is on an equal footing in this respect, there will be further discussions, as other technical points will likely be raised. In our view, the major point that justifies a moratorium is the fact that Canadian industry must be given the time to get up to speed, to comply with Canadian regulations. Currently, it's not true that Canadian regulations are equivalent to U.S. regulations.

[*English*]

Mr. Richard Cannings: It's the new rules that Canadian companies are facing. They have to do some extra work, and that's where they need to catch up.

[*Translation*]

Mr. André Côté: That's right. American and European companies don't have to do this extra work, because foreign regulations have already been established and are roughly the same as the proposed new Canadian regulations.

● (1145)

[*English*]

Mr. Richard Cannings: This might be a very naive question because I know nothing of this.

You talked about the differences in the process of registering your products here in Canada. You said it was a lengthy process and it costs a lot of money, whereas you seemed to say it was a much cheaper and shorter process in the United States.

Mr. André Côté: No, the process is.... I will never comment on the process in the U.S.

[*Translation*]

When an American product is submitted for registration in Canada, this implies that the product is already approved in the United States. The regulations mean that this product will be approved more quickly and at lower cost in Canada.

[*English*]

Mr. Richard Cannings: It's the process now that.... If we go to allowing products that have gone through the EPA process, that process of getting it into Canada is cheaper and shorter than the Canadian process—not the EPA process.

[*Translation*]

Mr. André Côté: Yes, that's right.

If an application for a U.S. product is submitted in Canada, the registration process will take just three months, if it meets the requirements, of course. In addition, the fee will be $3,500 instead of $10,000 to $12,000. That's a huge difference.

[*English*]

Mr. Richard Cannings: Mr. Parker, I'm just wondering if you could comment on all of this. If I understand it, your company does similar things to the companies that Monsieur Côté is involved with.

Are you concerned about the way things are set up in this new regime?

Mr. Stephen Parker: My concern is just the timeline. In the long run, it's going to be less expensive for us. We're going to have access to new things more easily.

In the short run, I worry that companies in Canada will still be trying to take their old registrations and get the new version of them, but that won't have been done. Then the U.S. people will be coming in and it will only take them three months.

Mr. Richard Cannings: You have the same concerns that Monsieur Côté has.

Mr. Stephen Parker: Yes. It's not a hundred per cent, but mostly yes.

Mr. Richard Cannings: Okay. I'm gradually getting there.

Mr. Harrington, you represent a large sector. We've been talking about reciprocity here. We're allowing registrations through the EPA to be used.

How serious do you think this reciprocity issue is? Should Canada be seeking reciprocity when going into regulatory changes like this before they happen?

Mr. Gerry Harrington: There's nothing I would love better than to see FDA allow these foreign decisions, such as those by Health Canada.

I want to correct one thing however. Over 50% of our members are SMEs.

Yes, I think if we want to look at it purely from a trade point of view, the industry would love to see the same kind of use of foreign decisions happening in the United States. However, from a consumer standpoint, that's not a reason to not encourage that and to not provide leadership, frankly. Other countries...we're not alone in this approach.

Mr. Richard Cannings: I just wanted to make sure. I didn't mean you just represented big companies. You are a big organization is what I meant.

Mr. Gerry Harrington: Yes.

Mr. Richard Cannings: I'm done.

Thank you.

The Chair: Thank you very much, Mr. Cannings.

Now we go to Mr. Baldinelli for five minutes, please.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

Thank you to the witnesses for being here.

Thank you, Mr. Parker, for agreeing to come from Niagara Falls. Flexo is a long-established company in the riding of Niagara Falls. Thank you for your continued confidence in having your manufacturing and distributing company located in our riding. Thank you for your company, which employs 85 people.

I asked that you be one of our witnesses and come forward because I thought you could bring that unique perspective both of the distributor and manufacturer and of a smaller-sized enterprise. I think this builds on what my colleague Mr. Canning was talking about—and, maybe to some degree, Mr. Côté. You indicated some of the concerns you may have with regard to clearing those registrations with Health Canada. Once these regulations are posted, they come into effect in a year.

Do you have those concerns with regard to backlogs and getting re-registrations in time, as opposed to just simply bringing in product?

● (1150)

Mr. Stephen Parker: I do. I'm not a regulatory expert. I know it takes longer than it should right now. There could be as many as 700 to 1,000 sanitizers that are not currently registered that would need to be registered under the new law.

I think it's still positive, because in our world, sanitizers are kind of out there. They're not registered well enough. Disinfectant cleaners are registered very well. Sanitizers are not. It needs to be done. It's just there's a lot of work that would have to be done.

Mr. Tony Baldinelli: Quickly, also in our conversations, the updated regulations and the “use of foreign decisions” pathway, for example, would allow for an easier method to bring in new products. In previous testimony, some other witnesses talked about it allowing for easier processes for those who want to sublicense and bring in raw materials, such as you.

I was wondering if you could explain how that process works and how that assists you as you develop your products.

Mr. Stephen Parker: Sure.

Here's a really good example. When I realized I was coming here today, I reached out to some industry people I know. One was from a company we buy raw materials from out of the U.S. We have a very good relationship with them. They said to me that there are at least two or three different products they know my business could sell and do a great job with, but they're currently not registered in Canada. Their company has decided, for the time being, that it isn't going to be worthwhile.

These are unique products. In our industry, with disinfectants, we talk in terms of what a kill is—what germs it kills and how quickly it works. If you have a product that works in two minutes versus three minutes, you have an advantage in the marketplace. Those are the sorts of products that would be available to us. They're ready. They're in the U.S. market and we need them.

Mr. Tony Baldinelli: Mr. Parker, you talked about labelling issues as well. I don't think that's gotten enough conversation and coverage. You're saying the rules that exist currently are asking for too much data for the end-user, typically.

Could that information be supplied as the material data safety sheets instead of as the labelling?

Mr. Stephen Parker: The rule of thumb was that, if you had product on your data sheets, you needed to have that same information on your labels. It doesn't make sense, because when that was put into place years and years ago, there wasn't the access to the Internet that there is now. We don't need all the information.

When you get a drug from the pharmacy, it says, “Take one twice a day.” I wouldn't say we have to be that simplistic, but I feel that now there's definitely too much information for end-users.

Mr. Tony Baldinelli: Ultimately, the workplace would have those material data safety sheets on site for the employees to reference, but for ease of use, for that person who needs it, they just need to know what it is, where they can use it and what it's for. Later on, if they want to check for more detail, they can do that.

Mr. Stephen Parker: That's my opinion—

The Chair: Thank you very much, Mr. Baldinelli.

We will move on to Ms. Fortier for five minutes, please.

[*Translation*]

Hon. Mona Fortier (Ottawa—Vanier, Lib.): Thank you, Madam Chair.

I'd like to thank the witnesses for being with us today to discuss this draft regulation. Many of us would like to know more about biocides.

Mr. Harrington, during your presentation, you mentioned that we were on the right track in terms of modernizing and harmonizing the regulatory framework. If we're on the right track, that means that there are probably things we could improve, ways to promote exports, for example, or other aspects. I'd like to hear your comments on that.

Can you tell us about two or three areas that you would like to improve?

Mr. Gerry Harrington: Thank you for the question.

● (1155)

[*English*]

I work in a world where our members also manufacture drugs, for example, and natural health products. For this type of efficiency and this type of leveraging of other decisions from other trusted regulators, I think if folks had a better understanding of how often the same data is reviewed for multiple products in multiple jurisdictions that arrive at the same outcome, the impetus there is not only in terms of market access, which of course from our perspective is the important issue, but also in terms of the resources being churned up in government. It's also about the opportunities perhaps for regulators to specialize. It's the idea that, rather than everybody doing the same thing over and over again, regulators who are collaborating and co-operative can find ways to reduce the amount of duplication that happens in that space.

I guess that's the general principle I would point to that we would love to see.

[*Translation*]

Hon. Mona Fortier: Do you think businesses have to contend with a lot of red tape? If so, how can we continue to cut it?

Also, if I understand correctly, given the high cost associated with a registration application, businesses have to pay to be recognized, in a way, or to ensure that their products are in a good position to be exported or marketed.

I wonder if you could comment on that.

Mr. Gerry Harrington: Thank you for the question, once again.

[*English*]

The idea of cumulative regulatory burden is one of the things we need to spend more time looking at. For example, we're talking right now about the biocides regulations, but the manufacturers of those products are also dealing with new regulations from ECCC around recyclability. We're also dealing with new regulations around packaging materials and pollution reduction.

All those initiatives don't necessarily align. Manufacturers are put into very challenging positions, and the lack of stability, the lack of predictability.... If you're in the middle of taking on a project, for example, right now, there's a whole relabelling initiative for natural health products under way, and then halfway through the implementation exercise—whoops—ECCC now says we have to put new labelling information on the front of the product label, so now that whole relabelling exercise has to take a step back.

We could point to a lot of different examples like that, where there is this whole concept of the cumulative burden. It's not just any one exercise or one regulatory framework, but it's the number of overlapping regulatory frameworks that industry is dealing with.

[*Translation*]

Hon. Mona Fortier: Mr. Côté, I'm glad you're appearing before the committee again today, because I think it's important that we hear what you have to say. I also had the privilege of speaking with your colleague right after our last meeting.

My concern about the moratorium is that this process could take even longer. This suggestion creates a certain amount of pressure. Do you have any other suggestions on ways make things easier, so that businesses can meet the regulatory framework and then export their products?

Mr. André Côté: There are only so many ways to do it. The Canadian industry has to sell apples and the American industry has to sell apples. There is no other way to align our regulatory frameworks, and there is no other way to be fair. If our businesses don't start the race from the same starting point, they can't expect to achieve results other than what we've predicted.

We are calling for a moratorium for two main reasons. Registering a product is done basically in four stages, and the process takes 12 to 24 months, when all goes well. At this time, we know that between 700 and 800 products are not registered. We have passed that information on to Health Canada officials. They have archived the lists themselves, because they were the ones who managed it previously. We have demonstrated this to officials, we've repeated the information, and they don't believe us.

I go to food factories every day to perform checks, and I send approval files to Health Canada. I help Canadian contractors with that process, because we don't need certification. It happens quickly, because we can do it ourselves.

● (1200)

[*English*]

Hon. Mona Fortier: Madam Chair, am I done?

The Chair: Very much so.

Hon. Mona Fortier: Wow, time flies.

The Chair: Your time is more than up.

Monsieur Savard-Tremblay, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

Mr. Côté, why are you asking for a two-year moratorium in particular? What will that change? In other words, how will the situation be so different two years from now for your partners and association members?

Mr. André Côté: That's how long it will take to complete the required studies and comply with the new regulatory framework. Businesses will have to put together a dossier and submit an application. They will then have to wait for Health Canada to make a decision. In the best-case scenario, if Health Canada is not understaffed and there are no computer problems or communication problems, the registration process will take two years.

As I said, many products are not currently recognized. Health Canada does not consider them to be disinfectants. They don't exist, because they're not registered. However, just because they're not on Health Canada's official lists does not mean that these products are not being used.

In camera, I could provide names and lists of products, and provide committee members with references to support everything I'm saying.

Mr. Simon-Pierre Savard-Tremblay: You mentioned the fact that Health Canada had not consulted you, in response to a question from my colleague opposite. You said that you sent the documents and that Health Canada was acting with full knowledge of the facts. Health Canada, meanwhile, told us on Tuesday that everything had been done transparently and that it had been published in the *Canada Gazette*.

How flawed was the process?

Mr. André Côté: I don't know. I'm not familiar with the process or how officials define “consensus”. What I do know is that since 2016 I've been involved in a number of discussions with Health Canada and various stakeholders.

From the beginning, we have been raising our hand and insisting that a moratorium is needed, that the industry must be allowed to get up to speed. It's not true that the current or proposed Canadian regulations are equivalent to the U.S. regulations. That's simply not true.

Mr. Simon-Pierre Savard-Tremblay: I think you've demonstrated that. It's surprising to see that this has been ignored, given your demonstration.

How much time do I have left, Madam Chair?

[*English*]

The Chair: You have 20 seconds.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I'll wait for the next round of questions.

Thank you.

[*English*]

The Chair: Thank you.

Mr. Cannings, you have two and a half minutes, please.

Mr. Richard Cannings: Thank you.

I'm going to go back to Mr. Parker.

You've been talking off and on about the pandemic and how things changed—what went well and what didn't. Toward the end, you mentioned the fact that, when we started, everybody was washing their hands and wiping every surface down—their groceries, their newspapers and everything. Then we discovered that it was more of an airborne situation, and you talked about people wanting sprays, basically, to deal with the air.

I'm just wondering if that is still the best situation. We've been hearing.... Towards the end of the pandemic, it was more about filtering. Are there products that you sell or produce that are combined with filters for airborne diseases like COVID?

Mr. Stephen Parker: We do. If I had to guess, I would say that, for this room two and a half years ago, between meetings—assuming you were having meetings—someone would come in after a meeting at eight o'clock at night, don his garb and put on all his PPE, if he was smart. He would spray the entire room with sanitizers. The product would go into the air and then land on a surface. Theoretically, it would disinfect or sanitize the surface. The amount that was done during that period was incredible, the amount of rooms and stuff. There were still people doing it a couple of months ago.

What I read in the Gazette said that for now the air sanitizing was going to be put aside. There is only so much anyone can do at one time. I just wanted to urge people that it's a definite issue, and that if it comes up again, should we get something like that, people are going to want to do the same thing.

On the filtration, the units that we and other people sell for filtering the air do a great job, not just for COVID or something like that but to improve the quality of the air that we all breathe. I think the air filtration is a positive thing that has come out. The other is a real thing: People are going to want to spray rooms again if they think there are people inside who have had COVID or whatever it is.

● (1205)

Mr. Richard Cannings: That spring, it functioned more to clean surfaces rather than the air.

Mr. Stephen Parker: Yes. It goes into the air, and then that's a way of getting into the nooks and crannies and all of that. There's no other way that you could do it, because you couldn't wipe them all.

The Chair: Thank you very much.

Now we'll go to Mr. Seeback for five minutes, please.

Mr. Kyle Seeback (Dufferin—Caledon, CPC): Thank you, Madam Chair.

I wanted to just quickly go back to some of the things you spoke about today, Mr. Parker.

You said that 80% to 90% of the Canadian industry uses formulations from the United States. I guess my question, then, is this. Would the UFD be useful, if you're getting the formulations from the U.S. that have already been approved in the U.S.? Any new formulation, I would assume, can go on this new 90-day approval track.

When I look at that and I look at what you've said, it would seem to me that these new proposed regulations will actually be a benefit to the industry. Would you agree with that?

Mr. Stephen Parker: That's my opinion in the long run, yes.

Mr. Kyle Seeback: Okay. That's great.

This re-registration process that you've talked about, is that going to be a complicated process? If so, in your mind is there any way to streamline that process?

Mr. Harrington, if you want to, you can jump in on that afterwards as well.

Mr. Stephen Parker: To be honest, I thought it was. I spoke to some people this morning who said there are plans in place to make that re-registration dramatically easier.

Mr. Kyle Seeback: Right now, you would say that you don't have huge concerns about the re-registration process—some but they're not huge.

Mr. Stephen Parker: Yes.

Mr. Kyle Seeback: Okay.

Mr. Harrington...?

Mr. Gerry Harrington: Yes. Health Canada has the capacity, and it has ways of dealing with transitions like this. It can be a risk-based compliance and enforcement mechanism for existing products.

In fact, in situations where the transition is more dramatic, we've even seen things where.... There was reference to how long it took to get the natural health product regulations in place. There, an interim regulation was created that provided for exactly that transition. It said that the existing products on shelves could be considered authorized until such time as they were fully licensed. Yes, there are tools available to Health Canada—absolutely.

Mr. Kyle Seeback: Have they put in a time frame for this re-registration process? Is it 90 days? Once you submit for this re-registration, will it be processed within 90 days, or has Health Canada not put any timeline on this re-registration process?

Mr. Gerry Harrington: I don't have the performance standards for those reviews at the tips of my fingers. I'm sorry, but that's something we could follow up with.

Mr. Kyle Seeback: There is a performance standard.

Mr. Gerry Harrington: Yes.

Mr. Kyle Seeback: Okay.

There's another concern that I think I heard at the committee. It's that with this re-registration process and this new streamlined UFD, there could be a real crunch at Health Canada to get everything done. It could create some chaos in the industry.

I'll ask Mr. Parker for his thoughts, Mr. Harrington for his thoughts and then Mr. Côté for his thoughts on that.

Mr. Stephen Parker: That's a fear that I have. I'm worried that, theoretically, a new U.S. company could register in three months and my current registrations won't be processed yet.

Mr. Kyle Seeback: The re-registrations...?

Mr. Stephen Parker: The re-registrations, yes.

Mr. Kyle Seeback: Okay. That's a good concern.

Mr. Harrington...?

Mr. Gerry Harrington: Health Canada has to plan for this transition. We've seen it sometimes go well, and we've seen it other times go not so well.

Mr. Kyle Seeback: Okay.

Mr. Côté...?

[*Translation*]

Mr. André Côté: Health Canada has shown us the best and the worst in this kind of situation. We just need to make sure that the Canadian industry can weather the storm on its own turf.

[*English*]

Mr. Kyle Seeback: If you were to have the opportunity to say, "Mr. Seeback, we would love to see this kind of recommendation to Health Canada on how to make sure we don't have this giant backlog that creates challenges for the Canadian industry", how would you shape that recommendation? Would they need to have the appropriate resources ready or something like that?

● (1210)

Mr. Gerry Harrington: It's about ensuring that they have the appropriate resources in place and the appropriate processes. They can process some applications in batches. They have a variety of tools.

I think it would be very helpful for the committee to highlight the need for a plan.

Mr. Kyle Seeback: Okay. Great.

Mr. Côté, do you agree with that?

Mr. André Côté: Can you repeat the question, sir?

Mr. Kyle Seeback: Would there be a recommendation that you'd say the committee should put forward to the government on this so that we don't have this giant backlog of Canadian re-registrations and new American registrations through the UFD?

[*Translation*]

Mr. André Côté: All the ideas discussed by my colleagues who have appeared before the committee today are good suggestions. Whether we're talking about adopting transitional measures or delaying the introduction of new measures or the implementation of the existing ones, I see all of these as a form of moratorium. I can only applaud any such initiatives.

[*English*]

The Chair: Thank you very much.

Mr. Sheehan, you have five minutes.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much to all our presenters.

I was amazed to hear about the business being a fifth-generation business. That's quite a remarkable feat. Where I'm from in northern Ontario, in Sault Ste. Marie, the Ojibwa, when they have discussions like this, when they arrive at decisions, will try to figure out how it will affect five generations down the way. A lot of first nations think this way.

In listening to your presentation, it was very thoughtful, not only about the moment and about what happened but also about what Canada ought to do to be prepared if, as you said, another pandemic happens. A lot of people have been saying that we hadn't seen a pandemic like this. People were comparing it to the one after the First World War. People are saying that the way we live now, there is the potential for another pandemic of some sort to happen.

You mentioned the supply issue. I wanted you to drill down on that. I'm wondering if, with your expertise, you can inform the committee on how Canada could be prepared to have supply on hand. I don't understand your industry that much. Can we stockpile stuff? Is there a shelf life? Is it capacity in manufacturing?

If you wouldn't mind delving into that, that would be great.

Mr. Stephen Parker: Stockpiling is very tough because there is a shelf life, and it's typically on the raw material.

Typically, when we make a disinfectant cleaner that has eight to 10 ingredients in it, one or two are the products that do the disinfection. They have a limited life. It's generally a year to two years, so it's problematic to stockpile, just as there are, unfortunately, millions and millions of gallons of hand sanitizer that are out of date and sitting in warehouses all over the world—all over North America anyway.

A possibility would be if could Canada make some of these raw materials. We make some. We make bleach, and we make hydrogen peroxide. Those are two disinfectants that are used. We make peracetic acid, but some of the other products we probably don't want to make because they're quite corrosive and no one wants a chemical plant next door to them.

It's a definite problem. To be honest, I don't know how you could guarantee the supply and, unfortunately, it was a real issue. We were waiting for products to arrive at our facility so that we could make the finished product.

Mr. Terry Sheehan: What about the breweries, the microbreweries? In a lot of communities across Canada, they went from manufacturing spirits to making hand sanitizer. Would they then still have the same issue of trying to get hold of those materials to manufacture? I'm just trying to drill down on that one, sir.

● (1215)

Mr. Stephen Parker: In that case, it was alcohol that did the disinfecting. They were able to produce it, so that was a very good situation for them. Those products were generally horrible, but they were timely. There are disinfectant cleaners that have alcohol, but they're not currently made in Canada. They're made in the U.S., so it's a good example. It was timely, but it was only because of the alcohol.

Mr. Terry Sheehan: The strength wasn't as high as the other ones.

The other issue that you just identified that I think we need to also note is that, if there are these products that are expired and they're sitting in warehouses, it concerns me that somebody, a bad actor, might distribute them and sell them, that kind of thing.

Do you have any recommendations or thoughts about that and what Canada ought to do to basically take an inventory, if you will, of what's out there and what might be expired yet still be for sale? It could be through reputable retail, although I would imagine they have their own processes, but anyone can go online and sell products.

Sir, would you mind drilling into that observation?

The Chair: Could I get a brief answer, please?

Mr. Stephen Parker: During SARS, Health Canada allowed products like Purell to have extended dates, so there's the possibility that it could be done.

The Chair: Thank you very much.

We have enough time for you, Mr. Jeneroux.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thanks for making time, Madam Chair.

I want to thank everybody for joining us today.

I'll ask a little bit about the safety standards first, but then, at the end of my five minutes, I'll allow a bit of time for you, Mr. Kolz, and you, Ms. Bergeron, to weigh in on some of the things you might have heard here.

First of all, to you, Mr. Parker and Mr. Côté, there were some comments made at the last meeting that perhaps the companies using a UFD would be held to a lesser safety standard than Canadian manufacturers, and I think Canadians listening to and watching this committee would be concerned about comments like that. Would you agree with that statement?

I'll start with you first, Mr. Côté.

[*Translation*]

Mr. André Côté: No, we absolutely don't agree with that kind of allegation.

Whether it's used in Canada or the U.S., a disinfectant that's registered in Canada does the job it was marketed to do. It's not the product itself that's at issue here. What is at issue is the process by which a product is recognized and registered. It has nothing to do with product quality or the safety of Canadians.

As Mr. Parker said earlier, a peroxide-based disinfectant approved by Health Canada, whether manufactured in his plant or by another manufacturer, will give the same result as an equivalent product manufactured and approved in the United States. In fact, the standards in place ensure that both products will kill bacteria on a surface. However, it's the process of obtaining approval that is problematic—therein lies the difference between the two systems.

[*English*]

Mr. Matt Jeneroux: Thank you.

I'll turn to you now, Mr. Parker.

Mr. Stephen Parker: I'm sorry, but I need you to repeat the question.

Mr. Matt Jeneroux: There were comments made last hearing—this is day two of this, as you may know—that perhaps companies using a UFD would be held to a lower safety standard than that of Canadian manufacturers.

Mr. Stephen Parker: I wouldn't believe that to be true. There's no reason for that.

Mr. Matt Jeneroux: That's great.

Just for those listening in and watching, there are three points in particular, as part of this regulation, that are put in there to help with ensuring that they are held to a high safety standard. I will just quickly read two of them.

The first one is that to meet the standards under the UFD pathway, a company must meet several criteria outlined in the regulations including identifiable formulation, same conditions of use, same manufacturing process and specifications, and confirmation that the company possesses or has immediate access to all information submitted to the foreign regulator to support approval.

The second one is that the UFD review pathway does not diminish Canadian health and safety standards. Manufacturers and importers who submit applications through this authorization pathway will need to meet all Canadian regulatory requirements including bilingual product labelling, standardized safety statements, robust incident reporting and postmarket surveillance obligations.

With that being said, as promised, I will turn it over to you, Mr. Kolz and Ms. Bergeron, to provide some summary perhaps.

● (1220)

Mr. Gregory Kolz: Thank you.

Yes, with respect to the question we received earlier about whether we still have faith in the American system, it's not just about having faith in the American system. It's about having faith in the Canadian system as well. We have one of the strongest systems in the world, quite frankly. If they assess the information they are provided and decide that the dataset is accurate, then we have reason to have faith in that.

Furthermore, a point was raised about how things maybe evolved or changed under the Trump administration. Our exact point is that: We don't want political involvement in this process. We want it to be based on science and on facts. It shouldn't be about public perception. It should be about data and making those changes.

Is it a question of the current system not being fact-based or science-based? No, it's absolutely not.

Are there options to refine the system, expedite the system or make it more competitive? We hear about it in various jurisdictions, whether it's transportation or groceries or otherwise. Canadians want lower prices. They want more competition. They want a healthy economic environment. We're talking to the trade committee, so there's obviously a sensitivity to those deals with other countries. That is why we are here. We are in favour of something that helps our growers, our companies, which very much rely on biocides among other products and which should have access to those in a timely manner whether they're produced domestically or internationally.

The Chair: You have 13 seconds.

Mr. Matt Jeneroux: I cede my time.

The Chair: Thank you very much.

We have a few minutes left before we get to 12:30.

Mr. Arya, do you have any outstanding questions?

Mr. Chandra Arya: Yes, Madam Chair.

Mr. Harrington, thank you so much.

Last time I did not have time to—

The Chair: Mr. Arya, just hold on for a minute.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: The Conservatives had their turn to speak. Why is it now the Liberals' turn? Wouldn't it be logical to give me the floor again for two minutes?

[*English*]

The Chair: We are scheduled to stop at 12:30.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I know, but you asked another member of the Liberal Party if he had any further questions or comments. Mr. Sheehan had his turn, followed by Mr. Jeneroux. Normally, we don't go back to one of the last two parties to have the floor.

[*English*]

The Chair: I went to what the next spot would be if we did round three. It was open for a Liberal. That would bring us to the 12:30 time for the end of the meeting.

Are you asking to complete the whole round three?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: No, it's not necessarily that. I just wanted to understand the procedure.

[*English*]

The Chair: Okay. Is that all right? Everything will go to Mr. Arya then for a few minutes.

I see consensus.

Mr. Chandra Arya: Thank you, Madam Chair.

Mr. Harrington, thank you so much for your presentation. It is very well taken. You did mention the regulatory duplication. Has your organization done anything that has identified where things can be merged or the duplication disallowed? Is there anything done from the industry association?

Mr. Gerry Harrington: There are a number of ways that regulators do that. One of them is, for example, the use of foreign decisions. There is an element there where premarket review can be incorporated from a foreign jurisdiction. Most regulatory regimes also have postmarket requirements, so that's things like vigilance of the product once it's been sold, inspections of facilities, and so on and so forth.

There are other ways that we can reduce duplication. We can have mutual recognition agreements with, again, trusted regulators on specific elements. It might be good manufacturing practices. It might be advertising and labelling and so on.

With the amount of duplication that happens, as we are in an increasingly—we've all heard this before—interconnected, globalized economy, I think there are in the future going to be even more opportunities for co-operation and collaboration among regulators. There are fora for the various different sectors. There are the PIPs for pharmaceuticals, and so forth, for different regulatory regimes.

● (1225)

Mr. Chandra Arya: Mr. Harrington, Mr. Parker mentioned that it is difficult for his company to export to the U.S., because of the liability issues and the multiple registrations required at the state level. Your members have also been exporting. I don't know to which market they export or what product categories they have. Can you comment on that requirement of the multiple regulatory approvals in the U.S.?

Mr. Gerry Harrington: It varies by country. The U.S. is a good example. It depends on the sector. The American federation works a little differently from ours, so the jurisdiction can shift depending on the setting. For sanitizers that are used in a manufacturing facility, yes, there are state-level requirements that complicate the ability to do business. On the other hand, in the drug world and the health product world, generally speaking, the U.S. very much operates at a national level.

Those are really tough problems to solve. I wish I could offer you....

Mr. Chandra Arya: Let's come back to the easiest ones we can solve. Have you any suggestions on the current set of regulations that we are discussing today?

Mr. Gerry Harrington: I think this regulatory proposal maximizes a lot of the opportunity that's available. If we're looking at the United States, we see that one of the beauties of the regulations is that the list of trusted foreign regulators is ambulatory. That means it can be amended. We can add to it. There are other jurisdictions where that fit might be a little different and that would offer more opportunity. For example, at the EMA, in the eurozone, that might look different and create even more opportunities for Canadian manufacturers.

Mr. Chandra Arya: By nature, regulations can be changed quickly. That's the purpose of regulations, unlike an act of Parliament.

The Chair: Thank you very much, Mr. Arya. We're at the 12:30 point today.

Thank you. Everyone more or less got the information for their questions. There are no outstanding questions, so we will move forward.

Thank you very much to the witnesses. It was valuable information from each and every one of you today. We very much appreciate that. We will excuse you from the meeting today.

We will suspend.

● (1225)

_____(Pause)_____

● (1230)

The Chair: I call the meeting back to order.

I am always very time conscious of everything. If we can end our meeting 10 minutes earlier, I think it's a good thing. If it isn't, let me know.

Go ahead, Ms. Fortier.

Hon. Mona Fortier: Are we in committee business, Madam Chair?

The Chair: Yes, we're in an open session. Because I anticipated these two issues to be brief, I did not go in camera. If they are not and the committee wants to go in camera, we can do that.

Hon. Mona Fortier: Do you want to start and then...? I have an idea that I want to share with you, but I'll let you start first.

The Chair: We just want to confirm next week's meetings.

We have the minister and officials coming on Monday.

Mr. Kyle Seeback: I'm sorry. We have the minister and officials coming on what?

The Chair: They're coming on the Ukrainian free trade study. I'm suggesting that we do a prestudy.

Mr. Kyle Seeback: Okay, but we never talked about that.

The Chair: That's why she wanted the floor—to talk about it.

Hon. Mona Fortier: Yes, that's why I wanted to talk. I just didn't know if you had an introduction, Madam Chair.

I'm going to switch to French. It's easier for me.

[*Translation*]

Madam Chair, it is my understanding that the minister would be available to meet us next week with officials from her department. That's why I'd like to propose that we begin our preliminary study of Bill C-57, An Act to implement the 2023 Free Trade Agreement between Canada and Ukraine, which is currently before the House. This would allow us, over the next few weeks, to study this very important issue, and we could combine this with the appearance of the minister and the officials, given that she is available next week. We would have four meetings to conduct this preliminary study.

Shall I formally propose a motion for debate?

[*English*]

The Chair: Unless everybody is in agreement, I think the clerk requires some level of a motion to proceed.

You're suggesting that we proceed with the prestudy.

[*Translation*]

Hon. Mona Fortier: I therefore propose that we devote the next four meetings to our preliminary study of Bill C-57, An Act to implement the 2023 Free Trade Agreement between Canada and Ukraine, given that the minister and the officials will be available next week.

[*English*]

The Chair: Okay. We'll have to discuss that.

Monsieur Savard-Tremblay has his hand up.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I'm not opposed to the motion, at first sight, since we suspect that the bill will pass second reading, based on the opinions expressed by all the political parties, who support the principle. A preliminary study would therefore not be in vain, because there's nothing hypothetical about it. It's pretty obvious that the bill will end up here.

However, I want to make sure that we don't add sessions when the bill passes second reading, and that we don't start the study all over again. In other words, the preliminary study has to count. We also have other subjects to discuss. Four sessions are more than enough to study an agreement that is short and simple, not very binding and limited in scope, on the face of it.

Can we agree that, when the bill comes back to us, we'll just do the clause-by-clause study and not add sessions until the end of time?

Besides, the bill cannot be amended, so we know that the text we have before us, as it is likely to be adopted, will remain identical. So there can't be any nasty surprises about what we're about to study.

[*English*]

The Chair: I believe that was the intent. We've done this before. Whatever we have gathered from a prestudy is then applied to the actual legislation when it gets here.

I have Mr. Seeback and then Mr. Arya.

● (1235)

Mr. Kyle Seeback: I'm incredibly disappointed with how this has been done here, Madam Chair, by both you and the clerk. We had talked about studying the economic impacts of the strike at the port of Vancouver. That was going to be next week. A witness submission was never requested from us. Now, here we are on Thursday with no witnesses contacted to proceed with that study, which is completely out of the ordinary business as to how this committee operates.

We've operated this committee in a way where we've treated each other with respect and tried to work on things. To come in here today and be told that the minister has already been arranged to come on Tuesday for a study that is not before this committee, with a piece of legislation that is still being debated in the chamber, and will bump our study, which the entire committee agreed would be the next thing we study.... It's been bumped because not a single witness has been contacted. It's now Thursday at almost one o'clock.

There was a plan afoot here. The plan afoot was that this was going to happen and our study was not going to proceed. I find this to be something that I am exceptionally frustrated with. We do not have a bill before us. It is not the job of this committee to deal with incompetence in the government's ability to manage their legislative calendar in the chamber.

We had a committee plan. We agreed, everyone, to this plan. Now, all of a sudden, the plan has been thrown out of the window with no consultation with the committee. To somehow suggest this surprise announcement at committee business, when what we thought we were doing at committee business was to discuss this budget, I find to be a breach of how this committee has operated.

I'm incredibly disappointed. I'm disappointed in you, Madam Chair. We've had a good working relationship. I don't think this is the way we would treat each other normally.

I do not agree to doing a prestudy of that particular piece of legislation, because the committee had business we had already scheduled. If that legislation is before us, then of course it would bump a study, but to bump our study, which is an important study.... We all agreed it was important. We all agreed that it would go right after we finished Mr. Savard-Tremblay's biocides study. I think this is a big problem, and this is not how this should have been done.

The Chair: Mr. Arya.

Mr. Chandra Arya: Madam Chair, if we are going to take this up, I agree with Mr. Savard-Tremblay that we should not extend the number of sittings for that particular study, because it is important legislation. If it gets through, it has to go through as quickly as possible.

The Chair: I believe I have Mr. Jeneroux next on the list. Then I have Mr. Baldinelli, and then I will respond to Mr. Seeback.

Mr. Matt Jeneroux: Thanks, Madam Chair. I don't think your comment at the beginning that this was going to be a quick one is necessarily accurate at this point in time.

I don't sit on the subcommittee, but we all received a report from the subcommittee and I thought there was a lot of goodwill when we talked about the ability to talk about the supply chain issues that we're facing.

I think Mr. Sidhu's and Mr. Miao's motions were good motions, and I think we came to a good understanding about what that would be. The subcommittee report—to remind everybody—started with this biocides meeting that we had here for, I was going to say, Mr. Savard-Tremblay, but I think it was actually a pretty good study for everybody to understand that. Then we were going on to the port strike. I think, again, that was something that everybody was in agreement with. Again, it was in the subcommittee report that we were doing it. I just remind the committee that the initial motion for that was to include the minister as part of that study and that study would have been happening Tuesday.

We now understand that the minister is free Tuesday, but she's not appearing on this. It's about this prestudy, which seems to have jumped the queue, if you will. I think there was a lot of good faith in removing the minister from that and making sure that we're focused on the government's response and having government officials. We didn't necessarily demand that the minister appear, which I know has happened in previous committees that I you and I have sat on together, where we spent a lot of time demanding that the minister show up.

That wasn't the case this time. I think, again, it was the understanding that we were going to move directly to the port strike. I know there has been a lot of anticipation from pretty much everybody in this room, and we wanted to do it. It was topical. We wanted to do it sooner rather than later.

Certainly I think this is something that I, unfortunately, won't be supporting—going to this prestudy just because the minister happens to be free, when initially we were looking for the minister for the first one.

I'll leave my comments there, Madam Chair, but again, to my first point, I don't think this is going to be a short discussion, as you said in your opening comments. Hopefully we can resolve this.

Thank you.

● (1240)

The Chair: I have Mr. Baldinelli, Mr. Cannings, Mr. Tremblay and Mr. Martel.

I'd like the opportunity to respond so I don't necessarily want to wait until the other speakers have spoken.

Is it okay with everybody if I respond to the suggestions so that there's a better understanding of where we're going with this?

We all know that Bill C-57 takes precedence, as Mr. Seeback said, over everything else. It was expected. Bill C-57 had to come. We have to deal with it because it's legislation, and then immediately following the four meetings that were decided on for Bill C-57, we go on to the port study, which is scheduled at the moment for the end of this month.

There's been a delay in the House with getting the Canada-Ukraine free trade agreement into this committee due to concurrence motions being tabled. We all know what's going on. It's been deliberately to delay the Canada-Ukraine free trade agreement from moving on.

The clerk has to have a schedule and we expected the legislation to be here, which is why the schedule is the way it is. We did the biocides and, normally, if it were not for the concurrence motions being moved in the House, the legislation would be here. It was scheduled for Monday, and we had asked the minister as well to be here for the beginning of that study, which is normal, and the schedule worked as well.

It's efficient use of our time as a committee. The concurrence motions in the House are delaying its getting here, because it was scheduled to be debated yesterday and Friday. We have the four meetings, and we immediately go on to the Vancouver port strike that we talked about. That was the plan. That is the schedule that is before us at the moment.

Since Bill C-57 is not here yet, but it will be at some point, the idea was to do a prestudy and then apply that information so that we can continue with the schedule that's before us. There was no intention to be devious about anything. The legislation takes precedence. It is the holdup in the House that's preventing it from being here, so that's all I'm going to say about that.

Mr. Baldinelli, you have the floor.

Mr. Tony Baldinelli: Thank you, Madam Chair.

In terms of bringing forward some issues on this.... First of all, we're talking about committee business. I'd like to find out why we're not in camera to discuss committee business. At first, you said it would have been a relatively short discussion, so you didn't think it needed to be in camera.

However, to my colleague's point, I think this is going to be a rather long conversation. I think it would be the right thing to have these discussions held in camera.

The Chair: All those in favour of going in camera...?

Some hon. members: Agreed.

The Chair: Okay. I will suspend for a moment so that we can go in camera.

[*Proceedings continue in camera*]