



Minutes of the ECR Meeting of March 6th, 2012

Attendance: All except Bulgaria, Cyprus, Estonia, Greece, Ireland, Lithuania, Luxembourg, Malta, Portugal

1. ECR Functioning

- EU presence in Canada

On the basis of information provided by MS Embassies in January and February on the extent of their network on the Canadian territory (Consulates, Trade Representatives, Chambers of Commerce etc.) EUDEL circulated two draft tables. The first table provides a snapshot of the types and total number of entities that each MS has in Canada. The second table presents the same reality along a geographical split (by Province) – Annex 1.

As a first analysis of such data, EUDEL said that EU MS, in total, have more than 200 entities distributed over the Canadian territory. However, a large part is honorary consuls, who, in general, do not carry out trade-specific activities. As regards, EU trade-specific entities, the data show that there are 64 entities, with 31 Chambers of Commerce, 26 Trade Representatives and "other" 7 entities with a specific trade component. As concerns the geographical distribution, Ontario and Quebec together include almost 80% of all trade-specific entities. British Columbia and Alberta are far behind, whereas EU trade presence in Atlantic Canada as well as in Manitoba and Saskatchewan is negligible or non-existent.

EUDEL underlined that the draft tables may need some corrections and invited MS to verify the reported data and, if needed, to propose, before the next ECR, adjustments to the way their own data have been presented. [**DELETED**]

In view of next ECR, MS and EUDEL will have also to establish the appropriate follow up to this exercise. Some guidelines could be as follows:

- 1) to finalize the mapping of the EU trade-related presence on the Canadian territory and create and circulate within MS a databank for better contacts and exchange of information;
- 2) to analyze, strengths and weaknesses of the EU network in Canada and eventually to indicate ways to improve its efficacy;
- 3) to improve the level of interaction between the EU Delegation and ECR on the one side and the entire EU trade-related network in Canada on the other side. This activity could be

particularly important in view of the implementation of CETA and to boost the EU market access strategy in Canada.

- Draft Annual Report

On the basis of a draft table of contents circulated by EUDEL in February, several MS have now taken a commitment to contribute to this ECR annual report. EUDEL concluded that, at this stage, we have a critical mass of contributions in order to produce a significant 2012 report by year end. The up-dated table of contents with MS contributions is attached as Annex 2. The only important sector, for which at this stage there are no candidate drafters, is "services and telecommunications".

EUDEL recalled that the objective is to have the first draft contribution by November this year in order to be able to collate the contributions and finalise the report by end of December or beginning of January next year.

- Visit to Bombardier facility / Montreal

EUDEL said that two dates for the visit have been proposed to Bombardier: April 3rd or May 8th. EUDEL considers that May 8th would be better as it would allow us more time, particularly for the preparation of the logistics. Bombardier has not yet confirmed if at those dates they are available but we expect a confirmation this week.

As the visit to the Bombardier facility will last only half a day, EUDEL said that it would be a good opportunity for the ECR to have an additional programme for the afternoon. The following could be taken into account:

1) A meeting with the organisers of Carrefour Europe, a trade event organised annually in Montreal in September; 2) A meeting with representatives of EU business based in Montreal; 3) A meeting with representatives of EU trade representatives and Chambers of Commerce in Montreal in order to start a concrete interaction between ECR and EU trade-related entities in Canadian Provinces; 4) At the same time, the ECR group could make a presentation about its own role and activities in Ottawa and provide a short up-date on the CETA negotiations.

In relation to logistics, EUDEL recalled that it had already circulated an email outlining the transportation cost (bus) per person - which in part will depend on the number of participants. EUDEL also informed that it could take in charge a light lunch (sandwiches and salads) for all the participants, while Germany said that it could take in charge a convenient meeting room for the activity in the afternoon.

2. CETA update

EUDEL recalled that the latest debriefing on the CETA negotiations was provided in Brussels at the TPC meeting held on February 17th.

EUDEL also recalled that, further to a meeting between International Trade Minister Ed Fast and the Provincial trade ministers, an important joint Communiqué was issued on 28th February. Three points of the communiqué are worth underlining: 1) Canada's need to diversify its external trade and focus on high-growth markets; 2) Canada's trade policy will

have to be conducted on the basis of a collaborative approach between the federal government and the Provinces; 3) CETA is today Canada's most important trade negotiation.

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3. Fuel Quality Directive

EUDEL recalled the situation on the FQD further to the vote in the Fuel Quality Committee in February and asked whether, since then, MS had had any further contacts with federal or provincial authorities. No MS reported any new contact with the Canadian authority on this subject.

4. Copyright Bill C-11

EUDEL reported that Bill C-11 is now before a special Legislative Committee that has already begun its deliberations. It intends to proceed quickly, with a clause-by-clause review in mid-March and the intention to report back to the House of Commons by the end of March. To speed up the process, the Committee will only hear witnesses that had not spoken before the Committee on the previous Bill (which was identical to Bill C-11). Industry officials are hopeful that the Committee will recommend changes to the Bill that would bring Canada's regime even more in line with EU concerns raised in the CETA negotiations.

Prof. Michael Geist, leading opponent of strengthening Canadian copyright legislation, issued several position papers criticising possible reinforcements of the bill in the Committee such as stricter rules on "user generated content".

5. Other business

The UK enquired about the official position of the Canadian Government on the inclusion of aviation in the EU ETS. EUDEL reported that it has carried out two demarches recently on the issue, one in January and one in February. Canada has reiterated its concerns about the EU "unilateral" approach and has characterized EU's position as being "entrenched". Aviation is deemed to have a key role in the global economic recovery and ETS represents an additional challenge for the airlines who are heavily impacted by the effects of the economic downturn. Canada strongly favours a global approach for the regulation of aviation emissions through ICAO and opposes legislative initiatives carried out by individual nations or regional blocks.

However, Canada also recognizes that the EU legislation is on solid ground as national treatment insures the non-discriminatory nature of the EU ETS aviation provisions. It is therefore unlikely that Canada would try to challenge the legislation in the WTO. Also, no retaliatory measure should be expected at this point. Canadian airlines will comply and, for the time being, are absorbing the costs without passing them on to the passengers.

Canada intends to keep the dialogue open with the EU and actively advance the agenda at ICAO. Canada considers that the aviation emissions issue has to be dealt with in a much more coordinated fashion. The regulatory approach and the market-based approach are not mutually exclusive and can be applied concurrently. Canada also invited the EU to work towards finding a compromise ground in ICAO.

6. Guest Speaker - Mr. Laurent Cardinal, Director General / North America Trade policy Bureau/DFAIT

Mr Cardinal made a presentation on the current US/Canada trade relations on the basis of the Power Point presentation distributed during the meeting.

7. Next ECR Meeting

The next ECR meeting will be on Tuesday April 3rd.