



NAFTA SPS Committee Meeting

3 July 2012

Meeting by Videoconference

11:00pm-3:00 pm in Ottawa/Washington

10:00am-2:00pm in Mexico City

This year marked the first successful virtual meeting of the Committee by videoconferencing. Although Canada, as host of the communication bridge, experienced some technical difficulties at the beginning of the meeting, some creative virtual bridge building allowed a stable communication to be established, allowing full three-way videoconferencing.

The meeting was chaired by Daniel Burgoyne, Acting Director for Bilateral Relations and Market Access Division, Canadian Food Inspection Agency. The head of the United States delegation was Ann Heilman-Dahl, Director for Agriculture Affairs, USTR while the head of the Mexico delegation was Juan Antonio Dorantes Sánchez, Director General for International Trade Rules at the Secretariat of the Economy. A full list of participants is provided under Section 8 of the Minutes.

1. Approval and signature of the minutes of the NAFTA SPS Committee Meeting of November, 2010 – Mexico City, Mexico.

Canada will send its final comments on the minutes from the 2010 SPS meeting to Mexico and the U.S.

2. Technical Working Groups Updates

A strategic discussion was held on the future of the NAFTA Technical Working Groups, including revitalizing working groups that have not met in some time. Reports were provided on the recent working group meetings.

A. Animal Health Working Group.

The North American Animal Health Committee (NAAHC) last met in Guadalajara, Mexico on July 13-15, 2010. The NAAHC reached an agreement to develop a document on compartmentalization and regionalization and established a separate TWG on aquaculture. The next NAAHC meeting is scheduled for July 24-25, 2012 in the United States and will include discussion on the structure and objectives of the technical working group and work ongoing in the OIE. The Committee re-confirmed contact points for the NAAHC.

B. NAPPO

The last NAPPO annual meeting was held in Merida, Mexico on October 16-21, 2011. The theme of the symposium was international trade in seeds. Two new regional standards were adopted and five were updated. The Potato Panel reviewed RSPM 3, *Requirements for the importation of potatoes*, and discussions were held on climate change and pest risk analysis



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related to invasive alien species. The NAPPO dispute resolution mechanism was used in 2011 for a dispute on potatoes. Achievements for the year include a NAPPO-organized IPPC workshop on the international movement of grains, work through the IPPC Working Groups on e-phytosanitary certification, and a NAPPO workshop on Christmas trees. The next NAPPO annual meeting is planned for October 15-18, 2012 in the United States, in Louisville, Kentucky.

C. Pesticides

The last technical working group on pesticides was held in Arlington, Virginia on November 2011. Working group members provided updates on regulatory and collaborative issues. Break out groups discussed streamlining the registration process and encouraging joint reviews for Minor Uses. A number of action items were identified including a workshop to be held by Mexico in August 2012. The executive board approved the Quantitative Structure Activity Relationship (QSAR) Guidance document for external peer review and agreed to formalise the NAFTA QSAR Advisory Committee already collaborating on the guidance document. A discussion was held on ways of encouraging joint reviews for minor uses. Given that the current NAFTA TWG Five-Year Strategy will be concluding in 2013, the executive board requested the working group to develop a new 5-year plan for moving forward.

The next NAFTA Pesticides working group meeting will be held in Ottawa (tentatively in spring of 2013). Canada is working with Mexican and U.S. Secretariats to provide agenda items.

D. Discussion on the Continuation of Working Groups

A discussion was held on reactivating working groups that have not met in some time. It was noted that the working group on Meat, Poultry and Processed Egg Inspection has not met since 2007. The co-chairs discussed the need to jointly work on MRLs, microbiology, organic products, border issues, and notification of regulatory issues. Canada noted that it is their turn to host; however, due to recent changes and regulatory priorities, Canadian officials have not been able to convene a meeting. Canada was unable to confirm that CFIA will be hosting the next working group. The United States offered to host the next meeting and Canada agreed to bring the United States' offer forward to the technical specialists to determine if a meeting this year would be possible.



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It was noted that the working groups on Dairy Products and Fresh Fruits and Vegetables were working under the umbrella of the Security and Prosperity Partnership and last met in 2007. Mexico indicated their interest in reactivating these working groups. Canada and the United States both noted that they are currently undergoing regulatory and legislative changes and it would be more appropriate to re-engage after progress is made on these initiatives.

The Food Labelling, Packaging and Food Standards technical working group had met on several occasions in Ottawa, with the last time in April 2009, to discuss nutritional labelling and ingredient labelling. This work mirrored the work that the three countries brought to the meeting of the Codex Committee on Food Labelling which last met in Ottawa in May 2012. Canada noted that the points of contact on labelling have changed since the working group last met in 2009. In early 2011, the United States reached out to Canadian and Mexican officials in an attempt to reconvene the TWG. However, due to divergent priorities, Mexican officials were unable to commit to current or future participation in the meeting. As a result, the U.S. proposed as of September 1, 2011, that the TWG be placed in an *adjourned sine die* status. Mexican and Canadian officials agreed. All agreed to exchange contact points and to continue to use any available bilateral or multilateral mechanisms to address any issues should they arise.

With respect to the working group on Veterinary Medicine, Mexico proposed that it convene a meeting this year. Canada noted its need to confirm interest in meeting and confirm the contact point for this working group. The United States noted its interest in continuing the working group but would have to reconfirm the possibility of meeting this year. Mexico proposed that contact points be exchanged and that discussion occur between contact points about possible dates for a meeting.

It was agreed to update the contact lists for all working groups and to circulate these following the meeting. The United States proposed to draft a document and to circulate it to Canada and Mexico for input.

3. Animal Health Issues and Cooperation

A. CVO Agreement on BSE and Small Ruminants

The United States noted that it had published a comprehensive proposed rule with the purpose of closely aligning the U.S. requirements with OIE guidelines for BSE. The comment period, which had been reopened until June 14, 2012, was now closed. The United



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States Animal and Plant Health Service (APHIS) is in the process of analyzing and reviewing the comments. Until the final rule is published, the U.S. is unable to respond to comments.

Canada noted it was pleased with the publication of the proposed rule and that it had provided comments to the Federal Register.

Canada also noted their interest in the pending U. S. small ruminants rule. APHIS noted that it is drafting a proposed rule to cover BSE and scrapie in small ruminants- sheep and goats. The U.S. noted that the rule will likely be significant, which means that it will be subject to additional internal review and clearance procedures within the U.S. Government.

With respect to access for live small ruminants to Mexico, Canada noted that a technical workshop was held in Mexico on over 30 months (OTM) beef on September 23, 2011. A commitment was made by Mexico to draft a follow-up letter from that workshop. Canada requested that Mexico follow up on this commitment to reply to Canada. Mexico noted that it is finalizing an analysis and will provide it to the Embassy of Canada. It is hoping to provide a response shortly and will then arrange for a meeting with Canadian Embassy staff.

B. Aquatic Animal Health

Canada noted that it had notified the new Aquatic Animal requirements to the WTO. Currently, a stream of commerce policy is in place until December 10, 2012, which facilitates trade during the transition. However, if zoosanitary certificates are not in place by December 10, 2012, then trade could be disrupted. The CFIA extended its offer to continue discussions at the technical level prior to the December deadline.

Mexico thanked Canada for the possibility of additional bilateral engagement and discussions on certification of products that are being exported. Mexico inquired who the contact person would be. Canada indicated that CFIA's director of Animal Health, Dr. Francine Lord would be the point of contact.

With regard to Canada's new aquatic requirements, on behalf of the United States APHIS noted that it is in close contact with CFIA and preparing for a meeting to address outstanding issues and to work on health certificates.



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C. Update on Animal Health Initiatives by Mexico

Mexico noted that, in May 2012, it published a Federal Animal Health Act giving increased authority to regulate animal health and food safety. The act covers good manufacturing processes, animal welfare and well being and control over imports and international transit of livestock, including animal traceability. The act will come into force in August 2012. Mexico indicated its availability to answer any questions and welcomes suggestions from Canada and the U.S. Canada and the U.S. returned no questions but will follow-up bilaterally if necessary.

4. Food Safety Issues and Cooperation

A. Updates on New Initiatives

a. Canada-Update on Regulatory and Inspection Modernization Initiatives

Canada's new inspection modernization model will be published for comments in August, 2012. This initiative will take the existing eight food programs and amalgamate them into one model, with licensing and oversight. A case-for-change document will be notified to the WTO and the comment period will be open until October, 2012.

With respect to regulatory modernization, the proposed Bill - Safe Food for Canadians Act would consolidate food-related authorities under the control of CFIA into one act and give CFIA additional authorities. The Safe Food for Canadians Act will allow food safety oversight, to prevent against commodity tampering, hoaxes and, will permit strengthened food traceability, improved import controls and streamline certification for export.

CFIA will share a package of documents to the Chairs, and invite comments.

Health Canada noted that Canada also published two targeted amendments to the Food and Drugs Act as part of its modernization of the food framework. The first targeted change is a new authority called a Marketing Authorization and the second tool is termed incorporation by reference, which would allow broader referencing of outside public documents as part of regulations.

b. United States – Update on the Implementation of the Food Safety Modernization Act

With respect to food safety modernization in the United States, the U.S. Food and Drug Administration (FDA) noted its commitment to implementing the Food Safety Modernization Act (FSMA) in a transparent manner. The FDA had not yet issued proposed regulations including those related to preventative controls and third party



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accreditations. The FDA welcomes input from trading partners. The FDA underlined that, on June 19, 2012, it held a public meeting on International Capacity Building, which was attended by representatives from Canada and Mexico. The U.S. noted that additional specific recommendations on content can be submitted through the Federal Register website.

Canada indicated its pleasure to be included in the consultation process. Mexico thanked the United States for their collaboration and reiterated their interest in the implementation of FSMA. Mexico said that it will be providing comments and hope that cooperation with the United States can be maintained.

B. CODEX Coordination

The Committee acknowledged that the CODEX Commission meeting was taking place at the same time as this meeting. The United States shared their appreciation in the coordination leading up to the commission meeting and encouraged Canada and Mexico to work with them to strengthen the leadership of the FAO/WHO CODEX Secretariat.

Mexico agreed that CODEX is an area where there has been close collaborations and hoped that as partners, we would continue our collaboration in CODEX.

5. Plant Health Issues and Cooperation

A. Mexico's Wood Packaging Requirements for Retreating Wood Packing NOM-016-SEMARNAT

With respect to NOM 16, Mexico clarified that it applies to imported sawn wood. NOM 144 includes the most recent update on ISPM 15.

On NOM 16, Mexico clarified that the initial draft had been published for comments. Mexico noted that it had responded to Canada's comments and would be responding to the United States shortly. Mexico said that the intention is to have bilateral and regional agreements for the recognition of certification programs. With a bilateral agreement, which Mexico intends to have with Canada and the United States, in principle, there should be no impact on trade from NOM 16. Mexico proposed a video conference with the Canadian and United States Embassies once the public consultation period is over.



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6. General Issues

A. HRZ System

Canada thanked Mexico for allowing trade to continue during negotiations of the new certificates. The United States echoed that it was a win-win for U.S. exporters and Mexican importers.

Mexico affirmed that to date, it has approved 1500 combinations with 91 countries and this provides greater guarantees for importers. Mexico indicated that, for plant health, changes were implemented on April 7, 2012 and were now in force.

B. Moving Forward with Trilateral High-level Regulatory Cooperation Council (HLRCC) SPS Issues

Mexico proposed, for consideration, the trilateralization of additional regulatory cooperation efforts. Mexico noted that high level councils are in place between Canada and the United States, as well as Mexico and the United States. Mexico noted that in April, 2011, stakeholders provided Mexico with 252 proposals for regulatory cooperation with the United States on TBT and SPS measures. After significant consideration, Mexico and the United States identified seven tasks for regulatory cooperation under the U.S.-Mexico HLRCC. As a next step, and in response to stakeholder input, Mexico suggested that a discussion be held on the potential trilateralization of the remaining proposals, where it makes sense. The United States highlighted the necessary environment for successful regulatory cooperation, cautioning that few of the issues not chosen for the HLRCC would be ready for trilateralization. Mexico has prepared a list of outstanding issues, as received from their stakeholders and would like to share the list with Canada and U.S. for review and comment. The United States and Canada agreed to review, acknowledging Mexico's need to be responsive to stakeholders.

It was noted that the technical working groups are the best venue to work on the trilateral technical cooperation. Mexico confirmed that its intention is not to create a high-level body but to use the mechanisms already in place.

C. Update on the WTO SPS Committee Issues

Mexico clarified that it included this item on the agenda as it wishes to continue close cooperation at the WTO.



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a. Ad hoc Consultations

Mexico noted that it believes there should be mandatory participation by the member requesting consultation, the proceedings should be public, and timelines are necessary.

Canada noted that it has taken somewhat of a different approach. Canada agrees with more rigour e.g. timelines and transparency. However, Canada is concerned that some of the proposals go beyond the dispute settlement mechanisms and Canada supports the concept of voluntary guidance.

The United States noted its position is more inline with Canada i.e. that the SPS Committee cannot make any new legal obligations such as requiring mandatory participation. The United States noted that transparency is an essential principle of the WTO SPS Agreement and agrees with the chair regarding notifying when members request consultations.

b. Private standards

Mexico affirmed that it supports the vision of the WTO SPS Committee. There is a need to define the scope and validity of a private standard and that it is important not to create unnecessary barriers to international trade.

Canada indicated that it is looking forward to working on a definition for private standards; including the definition of a non-governmental entity and that it would be challenged to agree to a definition under an agreement. The United States agreed with Mexico that aside from defining the scope of private standards, the work of the committee in this area is nearing completion. Mexico and Canada agreed to continue the discussion in future meetings of the NAFTA SPS Committee.

c. Food Safety Security on Tequila Imports to China

Mexico indicated that it put this topic on the agenda as a point of information and to note its satisfaction with the cooperation from the United States on this issue. The concern of Mexico is that China's maximum methanol content is lower than Mexico's standard. Mexico submitted supporting scientific evidence to China, with the support of the United States indicating that these levels are not a human health concern. Mexico noted that many other Asian countries look to China when developing standards. This matter will not be raised at the next SPS Committee meeting in Geneva but the U.S. welcomes updates from Mexico on this issue.



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7. Closing Remarks and Next Steps

Canada noted it would draft minutes and a table of action items for this meeting. The United States confirmed that it would host the next NAFTA SPS committee meeting.



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8. Participants List

Canada

In Ottawa

Daniel Burgoyne, Acting Director, Bilateral Relations and Market Access, CFIA
Theresa Iuliano, Acting Executive Director, Strategic Policy and International Affairs, CFIA
Barbara Doan, Director, Trade Policy, CFIA
Karrie Thomas-Granger, Bilateral Relations Officer (US), CFIA
Alan Schlachter, Director, Americas, AAFC
Josée De Menezes, Acting Director, SPS, DFAIT
Nancy Ing, Senior Advisor, International and Interagency Affairs and Codex Contact Point, Health Canada (HC)
Paul Enwerekowe, Policy Advisor, Office of Policy and Strategic Advice, HC
Zahra Galehdar, Project Manager and NAFTA TWG on Pesticide Secretariat, Pest Management Regulatory Agency, HC
Marc Legrand, International and Branch Liaison Officer, HC

In Washington, DC

Jeanette Patell, First Secretary (Agriculture & Fisheries), Embassy of Canada

In Mexico

Francis Lindsay, Counsellor (CFIA Technical Specialist), Embassy of Canada

Mexico

Secretary of Economy

Juan Antonio Dorantes- Director General de Análisis al Comercio Exterior
Juan Carlos Baker Pineda- Director General para América del Norte
Alberto Jiménez Rodríguez- Director de Evaluación y Seguimiento para Canadá
Leilani Aisha Escamilla González- Directora de Medidas Sanitarias y Fitosanitarias
Rubisel Velázquez Lugo- Jefe de Departamento de Medidas Sanitarias y Fitosanitarias

National Health Service of Food Safety and Agrifood Quality (SENASICA)

Montserrat Arroyo Kuribreña- Directora de Importaciones y Exportaciones
Fernando Rivera Espinosa- Subdirector de Negociaciones y Organismos Internacionales en Materia Zoosanitaria



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Norma Alejandra Elizalde Jiménez- Subdirectora de Armonización y Evaluación Internacional

Joaquín Rivera Quiroz- Coordinador de Negociaciones y Asuntos Internacionales de la DGIAAP

Alma Liliana Tovar Díaz- Subdirectora de Certificación y Reconocimiento

Rene Hernández Ruíz- Subdirector de Gestiones Sanitarias y Fitosanitarias

Laura Guzmán Sánchez- Colaboradora de la Subdirección de Gestiones Sanitarias y Fitosanitarias

Federal Commission for the Protection against Sanitary Risk (COFEPRIS)

Lic. José Raúl Ramírez Ramírez- Director Ejecutivo de Operación Internacional

Dr. Ricardo Cavazos Cepeda- Director General de Estudios Económicos y Asuntos Internacionales

Ministry of Environment and Natural Resources (SEMARNAT)

Gustavo González Villalobos- Director de Sanidad Forestal

Francisco García García- Director General de Gestión Forestal y de Suelos

In Ottawa

Ernesto Maldonado, Minister Counsellor, Agriculture Office, Embassy of Mexico

United States

Washington, DC

Ann Heilman-Dahl, Director for Agricultural Affairs, USTR

Kent Shigetomi, Director – Mexico, USTR

Barbara Chavez, Mexico Desk Officer, USDA/FAS

JonAnn Flemings, Senior Advisor, USDA/FAS

Kenneth Hinga, International Trade Specialist, USDA/FAS

Caitrin Martin, Agricultural Scientific Analyst, USDA/FAS

Jessica Martin, International Trade Specialist, USDA/FAS

Tanya Menchi, Senior Trade Advisor, USDA/FAS

Lilly Simmering, Canada Desk Officer, USDA/FAS

Lynn Alfalla, SPS Policy Director, Western Hemisphere, USDA/APHIS

Dr. Christa Speekmann, Import/Export Specialist – Aquaculture, National Center for Import and Export Veterinary Services, USDA/APHIS

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Dr. Antonio Ramirez, Senior Veterinary Medical Officer, National Center for Import and Export Veterinary Services, USDA/APHIS

John Jones, Trade Director, Forestry Products, Plant Protection and Quarantine, USDA/APHIS

Richard Brown, International Policy Analyst, USDA/FSIS

Shannon McMurtrey, Deputy Director, Policy Division, OPPD, USDA/FSIS

Colleen Fisher, NAFTA Desk Officer, Department of Commerce

Anna McGill, International Trade Assistant, Office of Chemical Safety and Pollution Prevention, EPA

Daniella Taveau, Program Manager, Sanitary and Phytosanitary Affairs, Technical Barriers to Trade, EPA

Jon Scheid, FDA

Ottawa

Robin Tilsworth, Minister Counselor, Agriculture, U.S. Embassy, Ottawa

Robin Gray, Agricultural Attaché, U.S. Embassy, Ottawa

Mexico City

Pete Olson, Agricultural Attaché, U.S. Embassy, Mexico City

Adam Branson, Agricultural Attaché, U.S. Embassy, Mexico City