

SUMMARY: Meeting with Imperial Tobacco Canada, JTI MacDonald Corp, Rothmans, Benson & Hedges Inc.

Subject: Meeting to discuss the proposed Tobacco Products Regulations (Plain and Standardized Appearance)

Date: August 02, 2018

Participants:

Health Canada (HC)

Denis [Choinière](#)

Director General (Acting), Tobacco Control Directorate (TCD) (Chair)

Saira David

Director, Labelling and Plain Packaging Office (TCD)

Policy Analyst, Plain Packaging (TCD)

Canadian Tobacco Manufacturer's Council (CTMC)

Caroline Evans

Head of Corporate Affairs & Communications, JTI-Macdonald

Eric Gagnon

Head of Corporate and Regulatory Affairs, Imperial Tobacco Canada

Maya Zor

Legal Counsel, Rothman Benson & Hedges

Michael Klander

Director Corporate Affairs, Rothman Benson & Hedges

Introduction:

A meeting was held at the request of Caroline Evans, JTI-Macdonald on behalf of the CTMC which represents Imperial Tobacco Canada (ITC), JTI-Macdonald (JTI) and Rothman Benson & Hedges (RBH) to discuss the proposed Tobacco Products Regulations (Plain and Standardized Appearance).

The Chair opened the meeting by reiterating HC's international obligation to protect tobacco control policies from the vested interests of the tobacco industry. In addition, in the interest of

transparency, the Chair stated that HC would be making a record of the meeting publicly available.

CTMC stated that the meeting would focus on issues of concern for industry as a whole and that subsequent one-on-one meetings would be requested by individual manufacturers to discuss technical elements of the proposed regulations. CTMC prefaced the meeting by stating that it does not agree with the initiative but that it would like to be in a position to comply with the proposed regulations.

Issues of Concern:

1) Cigarette Package Format

CTMC repeated concerns about the slide and shell requirements for cigarettes that were expressed at a previous meeting (July 16), stating that limiting pack types to slide and shell will be a boon to the illicit market and a major challenge for manufacturers, who, to reequip, would require more than the 6 months proposed in *Canada Gazette*, Part I.

CTMC claimed it does not have the manufacturing capacity with its present machines to meet the market demand and that it would take at least 18 months for the first new slide and shell packaging machines to ship from Focke, the principal supplier of tobacco packaging machines. Following this it would be receiving two packaging machines a month. CTMC estimated that in order to fill demand it would need to purchase 6-9 machines across Canada.

As in a previous meeting, CTMC noted that it could not begin the transition until it received a confirmation of the requirements. HC stated that the confirmation will occur in the form of registering the final regulations in *Canada Gazette*, Part II.

2) Implementation Timelines

The CTMC presented three scenarios where it could fully comply with the proposed *Tobacco Products Regulations (Plain and Standardized Appearance)*.

Scenario 1 saw full implementation occurring 24 months after CG-II. It stated it would take at least this long to get the slide and shell packaging machines from Focke.

Scenario 2 was a stepped approach with colour and text being standardized first and followed by pack format.

1. Within the first 9 months it would be able to standardize the colours and markings on packaging currently on the market, contingent upon the capacity of its engravers to produce printing cylinders.
2. Package format
 - a. 24 months after publication in CG-II it would reach full compliance, with all packs being slide and shell.

- b. If flip-top packages were permitted, CTMC would be able to reach full compliance 15 months after the CG-II publication.

Scenario 3 would not have an incremental step and would see full implementation 15 months after the publication of CG-II, so long as flip-top packaging was permitted.

HC asked about the feasibility of a stepped approach, similar to scenario 2, where in addition to package colour and text, the size of the package would be standardized, effectively removing smaller packs from the market. CTMC stated it would look into modifying scenario 2 to remove slim and superslims from the market.

3) Cigarette Dimensions

On behalf of CTMC, RBH reiterated its issue around the cigarette dimensions. It noted that it would be challenging for manufacturers to comply with the proposed dimensions as it is not reflective of what is currently on the market and the diameter does not include a tolerance for variability.

HC stated the intent of the proposed Regulations was to standardize the Regular Size and King Size cigarettes that are currently on the market and that the dimensions were chosen based on measurements of a range of cigarettes. HC requested that the members of the CTMC provide details on the dimensions of its products in its submissions to the pre-publication consultation.

4) Tracking Numbers on Packaging

Each of the members of the CTMC stated that they were bound by Comprehensive Agreements with the federal, provincial and territorial governments to provide identifiers on their packaging. They were concerned that the current regulations, while permitting markings required by other Acts and Regulations, would not permit these markings required under their agreement.

Health Canada stated it would clarify how the terms and requirements of the regulations address the requirements of the comprehensive agreement.

Conclusion:

CTMC thanked HC for the opportunity to discuss technical elements of the proposal and mentioned that separate meeting request would follow from tobacco manufacturers to discuss technical issues.

HC indicated that information submitted through the public comment period will be considered and that future meeting requests regarding the proposed regulations should be directed to James Van Loon and/or Saira David.

The meeting was then concluded.

Documents:

- N/A