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# Order Amending the Import Control List: SOR/2019-316

Canada Gazette, Part II, Volume 153, Number 18

Registration

SOR/2019-316 August 23, 2019

EXPORT AND IMPORT PERMITS ACT

P.C. 2019-1224 August 21, 2019

Whereas the Governor in Council deems it necessary to control the importation of aluminum products for the purposes of implementing the *Joint Statement by Canada and the United States on Section 232 Duties on Steel and Aluminum*;

Therefore, Her Excellency the Governor General in Council, on the recommendation of the Minister of Foreign Affairs, pursuant to paragraph 5(1)(e) and section 6  $\frac{a}{2}$  of the *Export and Import Permits* Act  $\frac{b}{2}$ , makes the annexed *Order Amending the Import Control List*.

# Order Amending the Import Control List

### **Amendment**

1 The Import Control List  $\frac{1}{2}$  is amended by adding the following after section 82:

**83** Aluminum products: alloyed and not alloyed unwrought aluminum products, and wrought aluminum products limited to bars, rods, profiles, wires, plates, sheets, strips, foils, tubes and pipes, tube and pipe fittings and other articles of castings and forgings.

# **Coming into Force**

2 This Order comes into force on September 1, 2019, but if it is registered after that day, it comes into force on the day on which it is registered.

# REGULATORY IMPACT ANALYSIS STATEMENT

(This statement is not part of the Order.)

#### **Issues**

On March 8, 2018, the United States announced that it would impose tariffs on steel and aluminum imported from all countries, citing national security concerns. Canada was initially exempted from these tariffs. However, on May 31, 2018, the United States announced that the section 232 tariffs would also apply to Canada. Accordingly, tariffs of 25% on steel and 10% on aluminum imported from Canada were applied starting June 1, 2018. In response to the application of these U.S. tariffs, on June 29, 2018, the Government of Canada announced that Canada would impose countermeasures effective July 1, 2018. In addition, Canada initiated dispute settlement proceedings at the World Trade Organization (WTO) and under the North American Free Trade Agreement (NAFTA) dispute settlement provisions challenging the section 232 tariffs.

On May 17, 2019, in the *Joint Statement by Canada and the United States on Section 232 Duties on Steel and Aluminum* (the Joint Statement), the United States agreed to eliminate the tariffs imposed under section 232 on imports of steel and aluminum from Canada. Likewise, Canada agreed to eliminate all tariffs imposed in retaliation to the section 232 tariffs. Canada and the United States also agreed to establish a process for monitoring aluminum and steel trade.

Global Affairs Canada has long-standing experience in monitoring steel imports, which have been on the *Import Control List* for monitoring purposes since September 1, 1986. A permit is currently required for all steel imports. However, aluminum products had not previously been subject to any import monitoring measures.

# **Objective**

The objective of this regulatory measure is to implement Canada's commitments set out in the Joint Statement with respect to monitoring of aluminum trade, and to improve the timeliness of Canada's aluminum import data.

## **Description**

The Order Amending the Import Control List (the Order) amends the Import Control List to add the aluminum products included in the Joint Statement to the list of articles controlled for monitoring purposes. More specifically, the Order adds the following aluminum products to the Import Control

*List*: unwrought products (not alloyed and alloyed) and wrought products (bars, rods, and profiles; wire; plates, sheets and strip; foil; tubes and pipes; tube and pipe fittings; and other articles: castings).

# Regulatory development

#### Consultation

The Government of Canada consulted with aluminum producers on the implementation of the commitments in the Joint Statement. The Canadian aluminum industry supports the view that adding aluminum products to the *Import Control List* would demonstrate Canada's serious commitment to implementing the provisions set out in the Joint Statement.

#### Modern treaty obligations and Indigenous engagement and consultation

Constitutional and modern treaty implications were considered and none have been identified.

#### Instrument choice

The only instrument available to meet the monitoring commitment is an order made under the *Export and Import Permits Act*.

# Regulatory analysis

#### Costs and benefits

The Order implements Canada's commitments to improve aluminum monitoring, as set out in the Joint Statement. It will help improve the quality and timeliness of data collected, which is currently only available once published by Statistics Canada with a two-month delay.

There are no costs associated with the Order, as the specific reporting requirements are implemented through a ministerial order (*General Import Permit No. 83 — Aluminum Products*). That order and its associated costs are set out in a separate RIAS.

#### Small business lens

No costs are imposed on small businesses as a result of the Order, as it simply adds aluminum products to the list of imports to be controlled for monitoring purposes. Compliance and reporting requirements are established under the above-mentioned ministerial General Import Permit, which is the subject of a separate RIAS.

#### "One-for-One" Rule

The Order does not impose additional administrative burden on aluminum importers, as it simply adds aluminum products to the list of imports to be controlled for monitoring purposes. Reporting requirements are established under the above-mentioned ministerial General Import Permit, which is the subject of a separate RIAS.

#### Regulatory cooperation and alignment

The Order is not related to a work plan or commitment under a formal regulatory cooperation forum.

#### Strategic environmental assessment

In accordance with *The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, a preliminary scan concluded that the Order would not result in positive or negative effects on the environment; therefore, a strategic environmental assessment is not required.

#### Gender-based analysis plus

No gender-based analysis plus (GBA+) impacts have been identified for the Order.

# Implementation, compliance and enforcement, and service standards

Global Affairs Canada is responsible for administering the import permits regime, under the *Export* and *Import Permits Act*, including the issuance of import permits.

Global Affairs Canada will provide administrative guidance to importers by issuing a Notice to Importers.

## **Contact**

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# **Footnotes**

<u>a</u> S.C. 1991, c. 28, s. 3

<u>b</u> R.S., c. E-19

1 C.R.C., c. 604; SOR/89–251, s. 1