

**JUNE
2017**

FDFA GOVERNMENT RELATIONS COMMITTEE TELECONFERENCE

GR COMMITTEE

2017 GR Committee is comprised of: Abe Taqtaq, Peter Brain, Gerry Lee, Cam Bissonnette, Philippe Bachand and Simon Resch

CBSA UPDATE

Discussion on CBSA and the FDFA including: Review of April 26th draft minutes by Committee and discussion on next live mtg. and any comments on recent CBSA Semi-Annual presentation

CALL TO ORDER, CMTE CHAIR

- **PHILIPPE BACHAND, CHAIR TO CALL MTG TO ORDER**

CBSA DISCUSSION

DRAFT CBSA MINUTES – APRIL 26TH, 2017

L. Karson provided the Committee the draft minutes from CBSA regarding our recent Live meeting in Ottawa with Philippe Bachand, Laurie Karson and Abe Taqtaq. As per the process, we are to review and provide any comments and/or approval so that the discussions are recorded and agreed upon.

NEXT LIVE MEETING – OTTAWA FALL 2017 & FDFA CONVENTION

The FDFA should consider identifying several Fall 2017 dates for the next live meeting in Ottawa i.e. early October? The Committee can review the next agenda item requests once this date has been considered as per our new bi-annual meeting schedule. We will need to discuss if we want Mr. Larson to speak at the Operator's meeting in Montreal at our convention – which we have always historically done. Laurie typically sends out this formal request in September before the conventions including an invite to present to the board on the Saturday before the Operator's meeting and an invite to join the board for dinner on the Saturday night.

CBSA PRESENTATION – SEMI-ANNUAL MEETING 2017

Laurie has provided the members including this committee the presentation that Mr. Larson and Mr. Riel delivered in Mississauga at our recent semi-annual mtg. The Committee to quickly discuss if there was anything said or presented that we believe we should follow up on. Laurie documented the outcome of the meeting in the Operator's minutes.

CBSA SALES STATISTICS COMMUNICATION

FDFA received CBSA communication/letter dated June 8th, 2017 noting that CBSA has reviewed the FDFA position to have CBSA continue with the collection, analysis and dissemination of CBSA duty free sales statistics and have decided to cease this process due to their privacy concerns.

Within the letter, it does not identify a specific date of when this process will discontinue but does not when the Regulatory repeal process is complete which is part of the overall Duty Free Shop Amendments. Laurie has requested to Mr. Riel a request to understand the specific timelines i.e. 10 months?

ACTION: The GR Committee to review our response and next steps. For example, should the FDFA consider a privatized and internal process to create similar initiative with the airports – third party? Analysis to be created?

L.Karson sent email request to CBSA after receiving the sales stats letter noting its termination and asked 1/ what the regulatory timeline looked like at this stage in terms of when we can expect the stats to cease i.e. 10 months? She also asked if the stats would cease to be amalgamated and disseminated by CBSA, would this mean that B117 information by the operators would also end or would CBSA still request this information for their own internal purposes.

Shawn Riel promptly responded – see email response below.

In response to your first email on timelines, I cannot confirm at this stage; however, we will certainly keep the FDFA up to date on this and provide as much advance notice as possible.

The regulatory amendment process is generally quite long and can be in the 18 to 24 month range; however, this can be much shorter or longer depending on Treasury Board, the Governor in Council and other government legislative priorities.

However, the CBSA has the authority under the Customs Act to enact regulatory amendments via the issuance of a public notice (i.e., Customs Notice) and amend the regulations retrospectively. We are currently looking into this option and will advise as to the associated timelines as soon as possible.

Once the regulations are amended, via Customs Notice or through the regulatory amendment process, the CBSA will cease the collection of the B117 and duty free shop operators will no longer be required to complete them for the Duty Free Shop Program.

Shawn Riel

INDUSTRY PAPER/TOBACCO

Review of the status of the FDFA Industry Paper and any tobacco specific data. To discuss the recent actions decided upon and next steps.

INDUSTRY POSITION PAPER AND TOBACCO

As per the last GR Committee call, L.Karson reached out to Duncan Raynor with a specific GR request to create a proposal for this committee's review. This proposal would identify key looming duty free tobacco specific threats (short term to long term), what political option we have as an industry, what actions we would take and what specific stats we would need to combat specific threats – with a proposal cost associated.

The Committee has been provided this proposal from Duncan Raynor for discussion.

Based on the Semi-Annual meeting, the Committee wants to begin by collecting industry statistics and Philippe presented to the members the importance of providing this data for GR purposes. The Committee wants to identify the purpose of what we need stats for and then identify the framework of questions to the members.

ACTION: At the Semi-Annual, it was agreed that the FDFA GR Committee would put together a Memorandum of Understanding to send to the members, with signed FDFA

Office and/or Committee confidentiality agreements alongside the specific framework request of industry stats required. The members would sign off on their consent forms and the GR Committee would begin collecting this data – before the November 2017 Ops Meeting.

OTHER GR NOTATIONS

Review of Other FDFA GR Actions and Notations for Committee Consideration

OTHER GR UPDATES

FDFA Convention Committee seeking a high level political official to speak as the keynote speaker at the Montreal Convention Gala. The Committee will update the GR Committee on its progress. This is an excellent way to ensure greater political capital for our industry and industry Public Relations.

Information being sent to our members on grassroots advocacy especially in the summer months when members should try to attend MP events and continue communicating the importance of their store's economic benefits to their local communities.

Lease Rate Review – Laurie to continue reaching out to Mr. Chenard to assess when the lease project will be communicated to the members and identify if the FDFA can assist in its facilitation.

NATIONAL GR LIQUOR COLLABORATION

At the recent Semi-Annual, the members discussed the provincial liquor board and operator challenges and opportunities. Given that it is beneficial for our members, even in different provinces, to discuss in a more concerted and collaborative manner key liquor issues whether that be with liquor boards, suppliers or government liquor regulations for example.

ACTION: In the Fall, the FDFA will facilitate a teleconference with one provincial duty free representative to discuss mutual liquor issues. L.Karson will work with the GR Committee to identify the agenda.