

DRAFT MINUTES

GOVERNMENT RELATIONS COMMITTEE – APRIL 5, 2019

Committee Members Present: Gerry Lee, Mike Maskery, Philippe Bachand, Simon Resch, Ralph Caria, Jeff Butler, Abe Taqtaq and Barbara Barrett

Absent: none

Other/staff: Huw Williams (Impact), Oumar Dicko (Impact), Allison Gardner (FDFA)

Call to Order: Chair called the meeting to order at 2:03pm

Minutes

Minutes from the March 5, 2019 meeting were reviewed. No amendments.

MOVED BY: Abe Taqtaq

SECONDED BY: Simon Resch

THAT the minutes from the March 5, 2019 GR Committee meeting be approved as presented.

No Opposition – Motion **CARRIED**

CBSA Meeting

Barbara reviewed her recent introductory meeting with Charles Melchers, who was recently appointed Director Regulatory Trade Programs at CBSA. The committee discussed key messaging for the upcoming meeting with CBSA, which included; the need to reinforce that CBSA continue to issue duty free shop licenses and prevent a landlord driven model. D432 position paper will be updated and sent to CBSA after next weeks' meeting. It was noted that Charles Chenard will also attend the meeting April 9th and hopefully have an update on the lease renewal process. The committee discussed potential for using the same data collection program as CBSA – Oumar agreed to contact CBSA and request information on their program to see if there is any potential to duplicate. Oumar noted he is preparing non-disclosure agreements (NDA) and will share with stores when complete. The FDFA will stress the importance of having CBSA representation at the semi-annual operators' meeting and extend an invite to Charles Chenard.

ACTION: Request updated CBSA Org chart from Charles Melchers.

VRP

The group was informed that the RCC White paper is not complete and they do not have a timeline when it will be ready, however they know the FDFA wants to be involved. RCC likes the Japan model where visitors do not pay tax at point of sale. Second option is the European model where a receipt is received at point of sale and the refund collected at airport. However, RCC's main goal is a VRP program that is acceptable for government. Barbara noted that she learned that a visitor tax rebate program is on the conservatives wish-list. The group discussed various program scenarios and needs to be proactive and determine what program works best for FDFA. The Impact team will prepare ideal scenarios for both Government and FDFA stores.

ACTION: check with TIAC for their Deloitte study and their input on RCC's white paper.

Tobacco

Ontario has been asked to duplicate Quebec on contraband tobacco. The provincial Government is putting more pressure on the federal Government. Huw believes it will be a struggle to convince the federal Government to exempt duty free from plain packaging. The federal regulations are expected soon. Impact recommended starting conversations with background meetings with government. Huw recommends not including tobacco as part of our ask on Hill Day. Hill Day's primary objective is building relationships and bolstering duty free awareness.

Duty Free Fuel

Huw reviewed the background document shared with committee on duty free gas. He believes the strongest push back would come from retailers and government. A sliding scale tax division could be a consideration, making it easier to sell to government. Concerns were raised with risking increased scrutiny on other categories, like tobacco. Huw commented; should we proceed, we can calibrate risk as we go along. First step would be to approach Finance with gas tax details and breakdowns. Huw stressed that it wouldn't be easy, it will be a struggle. The committee discussed forming a Duty Free Fuel sub-committee. More consideration needs to be given to; resources; budget; and if it will take away from FDFA priorities already identified. Abe recommended first step as review budget, then Impact's resources, to ensure we can add another priority. Barb suggested approaching operators at semi-annual to garner interest. Simon proposed an informal working group to prepare a presentation to introduce the concept to operators. Member's interested in working group could oversee duty free gasoline presentation. Simon; Mike; Jeff; and Abe expressed interested in participating in duty free fuel working group. A stipulation was added that information will be shared with membership in advance of operators meeting.

ACTION: organize mtg with informal working group for duty free fuel. Ensure any presentation for the operators' meeting is shared with the operators in advance.

CFIA - Alcohol Labelling

Barb, Oumar and Huw are meeting with the director of the branch overseeing consumer protection on April 12th in Ottawa. Oumar reviewed the issues with the Ontario stores. The group was told that CFIA recently changed vodka definitions so FDFA has requested all definitions be reviewed. CFIA creates the policy, the liquor boards are responsible to enforce.

Parliamentary Partnership Program

Impact recommended removing the tobacco handout, based on the tobacco updates and include a note why GR committee decided to remove tobacco from initial conversation. The handout and letter will be made available in both official languages. Committee was asked to review once more and send comments by end of next week. If no comments are received, the kit is ready to go.

Meeting Adjournment.