However, as we prepared our formal CTE/TBT proposal, we internally realized that our position was not coherent nor consistent with trade and environmental policy integration. Interdepartmental agreement was reached, not without considerable argument, for a proposal that argued that ecolabelling programs were covered by the TBT Agreement and its Code of Good Practice but that the TBT Agreement should be interpreted as providing accommodation for the use of non-product related PPMs, provided that such PPMs are developed in a manner consistent with international guidelines currently under development. Given that this accommodation would in effect legitimize distinctions between products on the basis of how they were produced (i.e., in contradiction to the "like products" concept of GATT Article III), this required the "safeguard" of reference to international guidelines given the potential for protectionist abuse of such distinctions.

When Canada presented this proposal in February,[18] reaction was predictable. There was strong support for our arguments in favour of TBT coverage but strong opposition for our suggested accommodation for non-product related PPMs on the part of developing countries. The EU, while welcoming our recognition of the validity of life cycle approaches and thus of PPMs, maintained its preference for a separate Code of Conduct for ecolabelling programs.

Parallel to consideration of various negotiating positions, we used experts to inform delegations on ecolabelling and related issues. The CTE held a joint session with the TBT Committee where various ecolabelling programs were presented, including those of Canada, the EU, the Nordic countries and the alternate approach of the USA regulation of environmental claims. We also had arranged separate visits of our ecolabelling practitioner as well as the ISO Secretariat responsible for the development of the ISO 14000 environmental management standards to help educate delegations on the practical issues related to ecolabelling.

Domestically, we also consulted extensively with an ecolabelling working group of our International Trade Advisory Task Force on Trade and Environment, whose membership, although weighted toward business, nevertheless included some environmental NGOs and consultants. We also consulted directly with the Canadian Pulp and Paper Association to ensure that our messaging with respect to business concerns was accurate.

From February to June, the CTE was largely silent on ecolabelling as discussion focussed on other agenda items. Based upon bilateral discussions with many delegations as well as discussions in the Point du jour group, we refined our original proposal. Rather than maintaining the explicit link between TBT coverage and an accommodation for non-product related PPMs, we proposed in June a phased approach whereby we would agree on coverage now and address non-product related PPMs post-Singapore. To show that we were consistent with our position on coverage, we notified Canada's Environmental Choice program under the TBT Agreement. Environment Canada accepted the need for this refinement but stated the need to ensure that PPMs were taken up post-Singapore. A draft decision was tabled to that effect in July.

At that point in time, support for our approach softened. Delegations that had previously spoke in favour of transparency now appeared to follow the EU line that one could not separate