

on the market, "from the farm to the store shelf." The 1% threshold for the adventitious presence of GMOs in the shipments of other bulk commodities cannot be practically reached.

Canada is of the view that the proposed EU regulations are not commensurate with the risks, and that the regulations will be a serious barrier to trade that will not only result in effectively blocking trade in approved GMO canola varieties, but that will also affect conventional grains and oilseeds. Canada has made several high level representations to the EU on this matter.

Bans and Restrictions on Certain Non-ferrous Metals

The European Commission has adopted directives on waste management of electrical and electronic equipment and on end-of-life vehicles, and has proposed a directive on batteries and accumulators. These directives provide for restrictions and an eventual ban on the use of certain substances of which Canada is an exporter, including lead, mercury and cadmium. These substance bans, when implemented, will have adverse trade implications for Canada with respect to both the non-ferrous metals in question and the manufactured products making use of them. While Canada shares the Commission's commitment to the protection of health and the environment, it continues to question whether such product bans are proportionate to any attendant risks, and is concerned that such measures may be more trade restrictive than necessary to achieve their intended objectives.

Canada is of the opinion that the phase-out and ban of these materials in electrical and electronic equipment may result in negative environmental impacts by forcing the adoption of substitutes that could have a more detrimental environmental impact than the substances they replace. Moreover, the phase-out and ban measures will have significant adverse trade implications affecting the design, manufacture, production and distribution of all electrical and electronic equipment around the world. Inasmuch as the directives mandate the selective treatment of individually identified materials and components, they represent an infringement into the manufacturing/production cycle of resource recovery and, as such, take an overly prescriptive approach.

The directives refer to a "producers' responsibility network," but it is not clear who will be responsible for the creation of the end-of-life collection, the take-back

and dismantling schemes, or the recycling, reuse and recovery programs that the directives set out. Canada is concerned by the potential to create a closed market for raw material resources whose access is limited to those treatment facilities operating strictly within a closed "producers' network." The directives also appear to contain export restrictions that may be inconsistent with international trade rules.

As discussions are still taking place within the EU on the substance and the domestic implementation of these directives, Canada will continue to monitor them and will convey its concerns to the Commission, the Parliament and the member states at the various stages of the EU decision-making process.

Eco-Labeling

The European Commission has an eco-labelling scheme called the "Flower Program" that covers a number of paper products such as sanitary papers. The criteria used for the program largely reflect European domestic environmental requirements, values and European-based performance measures. Canada has been excluded from the process of setting criteria, and is concerned that the Flower Program has not been developed in a transparent manner and that it discriminates in favour of EU producers.

Canada will closely follow EU developments in this field to ensure that the European Union adheres to the WTO Technical Barriers to Trade Agreement's Code of Good Practice in its eco-labelling programs, particularly provisions dealing with transparency and ensuring fair access of foreign producers to eco-labelling programs.

Forest Certification

There is an ongoing marketplace demand in Europe — especially within the United Kingdom, Germany and the Netherlands — for forest products to be certified as having been manufactured using wood that comes from sustainably managed forests. The Canadian industry is endeavouring to address this demand, using one or more of the four certification schemes currently available or under development in Canada.

Canada is broadly supportive of certification as a voluntary, market-based tool to promote sustainable forest management. However, we want to ensure that certification is not used as a market access barrier. In particular, Canada would be concerned about any