



## Consumer Interest Alliance Inc.

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March 11, 2010

### CIAI POSITION ON "REGIONAL IDENTIFICATION" OF IMPORTS AND EXPORTS

Canada is negotiating trade treaties with consumer safety implications. In 2010 the particular discussion is for a potential treaty with the European Union. One of the main items concerns a 'right' to require food and beverage appellations to be used only for products that originate in the region (e.g.: Champagne, or Gouda or Baker Lake). The European Union has moved some way toward a common standard of food safety with many jurisdictions devoting more resources to safety than Canada does, but we feel that industry lobbying, in Europe and in Canada, has tipped the trade discussion away from the issue most important to consumers. Here is our position:

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The United Nations' Consumer Bill of Rights includes the right to be informed and the right to safety, among others. Sellers from a specific region who urge that treaties maintain their 'right' to be the sole user of their region-of-origin appellation – on labels, in advertising, etc. - have moderate support from the Consumer Interest Alliance Inc. (CIAI). Why? Consumers have a right to know the source of a product or service as a rough indication of quality. However, quality depends far more on the level of safety standards in each country which, in turn, depends on matters beyond region of production, matters like the degree of safety enforcement, traceability, and shipping care. Our support is moderate for region-of-origin appellation because CIAI cares much more about the true safety of food than about region-of-origin appellation which is, after all, about product differentiation (branding).

While the safety of food - domestic or imported - is of paramount concern to consumers, we are aware that safety claims are frequently abused by domestic producers (in Canada, and in every country), as a 'rationale' for the creation of non-tariff barriers to trade (NTBs). This occurs when there is little or no scientific support for the claim that safety is at issue, and inevitably raises prices to consumers. The NTB malpractice was highlighted in Europe by the "Cassis de Dijon" decision of 1979. We believe the European Court of Justice provide four appropriate factors to examine: "...the effectiveness of fiscal supervision, the protection of public health, the fairness of commercial transactions, and the defence of the consumer." As priorities, CIAI feels strongly that public health, and the defence of the consumer should come before fiscal supervision.

The Consumer Interest Alliance urges that discussions on region of origin be placed in the appropriate larger context of the crucial importance of food safety, and further, that priority be given to the impact treaty clauses on non-tariff barriers to trade.