



Health Canada and JTI-MacDonald Corp.: ***Regulations Amending the Tobacco Products*** ***Regulations (Plain and Standardized Appearance)*** **– October 17, 2022**

Subject:

Clarification on input made regarding the *Regulations Amending the Tobacco Products Regulations (Plain and Standardized Appearance)*.

Date:

October 17, 2022

Participants:

Health Canada (HC)

- Manager, Tobacco Labelling, Tobacco Products Regulatory Office (TPRO), Tobacco Control Directorate (TCD)
- Senior Policy Analyst, Tobacco Products Labelling, TPRO, TCD,
- Policy Analyst, Tobacco Products Labelling, TPRO, TCD
- Policy Analyst, Tobacco Products Labelling, TPRO, TCD
- Junior Policy Analyst, Regulatory and International Policy Unit, TCD (Secretariat)

JTI

- Elaine McKay, Head of Corporate Affairs
- Caroline Evans, Head of Sales



- Charles Johnston, Engineering Manager

Introduction:

A meeting was held at the request of Health Canada to obtain further clarifications on JTI's input regarding the proposed Regulations Amending the Tobacco Products Regulations (Plain and Standardized Appearance), published in the *Canada Gazette*, Part I, on June 11, 2022.

Health Canada read a transparency and openness statement, reminding JTI representatives that the meeting is subject to disclosure as per Health Canada's [Openness and Transparency policies](#). In the interest of transparency, the Department stated that it would be making a record of the meeting publicly available. The [handling of information and privacy notice](#) was mentioned and acknowledged.

Health Canada also referred to Article 5.3 of the [World Health Organization Framework Convention on Tobacco Control](#), the department's international obligation to protect tobacco control policies from the vested interests of the tobacco industry.

The Chair then invited participants to introduce themselves.

Subjects:

JTI presented challenges associated with the proposed regulations. Their presentation included the following concerns and suggestions:

Implementation Period:

- JTI believes that wholesalers should be considered as retailers in the context of regulations and that any other interpretation would give JTI significantly less time to comply with the manufacturers' deadline for compliance with the new rule, to

the benefit of competitors who also distribute themselves their products.

- JTI provided the length of time of the different steps involved in their product flow including product flow from JTI factories to retailers and JTI factories to distribution centers.
 - Health Canada asked why wholesalers hold materials between three to six weeks. JTI responded that it depends on the orders they are taking. They also want to ensure that there is always enough product to fulfill retailer demand. Product that is kept for three weeks is considered fast-moving while the six week timeframe is for slower-moving products.
 - HC asked what percentage of JTI's product would be considered as fast moving versus slow moving. JTI responded that more than half of their products would be considered as fast moving, however, there is still significant quantity of product that would not fit that short timeline.

Technical Limitations:

- As JTI manufactures regular size cigarettes with tipping paper shorter than the proposed 24mm, JTI indicated that the proposal would affect their regular cigarette size market segment.
- JTI indicated that they face numerous technical limitations that prevent the implementation of the proposed health warnings on cigarette tipping papers with a display area of 24mm for regular size cigarettes.
 - HC asked if JTI could speak more to the additional time that would be needed, with respect to design, if the minimum tipping paper were to be changed to 24mm. JTI answered that they need to design the artworks, engrave the cylinder, print materials as well as adjust the technical



requirements on the machine. The parts that need to be modified are format parts as opposed to standard ones.

- HC asked what the difference is between 20mm and 21mm tipping. JTI responded that 21mm is the tipping size they currently use but that there is a manufacturing tolerance of plus or minus 1mm.

JTI offered to facilitate a tour of a JTI factory for HC officials to see the speed and complexity that is involved across all stocking units.

Conclusion:

The meeting was then concluded.

Documents:

- Agenda as provided by JTI