

November 21, 2007

Hon. Guy Boutilier
Minister of International, Intergovernmental and Aboriginal Relations
423 Legislative Building
10800 97th Avenue
Edmonton, AB
T5K 2B6

Dear Minister:

**Re: Request for Retaliatory Action Against Quebec For Non-compliance with AIT
Margarine Colour Finding**

As you know, an Agreement on Internal Trade panel established at Alberta's request found that Quebec's margarine colour regulation is a barrier to trade and should be removed by September 2005. Since the release of the trade panel, Quebec has taken no action stating further time was required to study the panel report.

Based on correspondence with Alberta, it was our original understanding that the matter was to be addressed at the September 6, 2006 Committee on Internal Trade meeting, and if not, Alberta would work with the interveners to advance a retaliation proposal through the CIT which may have involved a reconvening of the panel.

As the matter was not dealt with at the September 2006 meeting, you advised in May 2007 that the matter was to be addressed at the June 2007 CIT meeting. I attended that meeting in St. John's where the Quebec Minister acknowledged Quebec's outstanding obligation and advised that the matter would be addressed during an upcoming review of provincial agricultural regulation.

On October 17, 2007, Québec published a new regulation to integrate all regulations for dairy product and dairy product substitutes to update standards to reflect "new developments".

The margarine colour regulation remains intact and unchanged (Please see attachment from the Quebec Gazette, pages 2864-2865.) It should have been removed as part of the process to amend the regulations concerning dairy product substitutes.

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