

Sent by email

September 14, 2023

Ms. Lyndi Blakley
RCT Chair
Saskatchewan RCT Representative
Government of Saskatchewan

Subject: CFIB Submission to Regulatory Reconciliation and Cooperation Table (RCT) Work Plan for 2023-2024

Dear Ms. Blakley:

On behalf of 97,000 Canadian Federation of Independent Business (CFIB) members, we are writing to provide our input to the Regulatory Reconciliation and Cooperation Table (RCT) 2023-2024 work plan.

We recognize the notable efforts made by all governments and the RCT in previous years to reduce barriers to trade in Canada. However, many high-profile barriers remain (e.g., allowing provincially inspected meat to be sold between provinces), many reconciliation agreements have yet to be ratified and/or implemented by all provinces and the federal government (e.g., occupational health and safety standards), and a considerable number of exceptions are still in place in some provinces and at the federal level.

CFIB recently published an [updated report card](#) on internal trade to coincide with the 6th anniversary of the Canada Free Trade Agreement (CFTA). The report card evaluates specific indicators including CFTA exceptions, select barriers to internal trade, and the implementation status of RCT items. The grades on this year's report card are slightly improved from our first report card, indicating that some progress has been made. However, the report found that there is still work left to be accomplished.

In the current context of persistent labour shortages, inflationary pressures, and the rising cost of doing business, the removal of unnecessary trade and labour mobility barriers across Canada needs to become a priority for all levels of government.

CFIB continues to recommend the RCT moves quickly to adopt a mutual recognition agreement encompassing all federal, provincial and territorial regulatory measures that impose requirements on the sale or use of all goods and services – such that any good or service that may be sold or used in one province may be readily sold or used in all other provinces and territories without having to meet any additional requirements.

Under this approach, one would expect provinces and territories to mutually recognize each other's regulatory standards. One example is differing occupational health and safety requirements with respect to everything from work boots to fall protection. If a business meets the health and safety standards of one province/territory, why would that not be sufficient for any province/territory? To enable flexibility, however, we acknowledge the possibility for provinces and territories to make exceptions as required, following a negative list approach. This method is preferred to the current process of identifying barriers one by one and taking years to sign and implement a reconciliation agreement.

CFIB was pleased to see our recommendation on mutual recognition included in the 2023 RCT Work Plan (Item 30). We appreciate the RCT clarifying the definition of 'mutual recognition' in the Work Plan to align with the definition we provided last year.

CFIB firmly believes mutual recognition should be a top priority for the RCT in the coming year. We are encouraged by the short and long-term goals for this item outlined in the Work Plan, and we find the associated deadlines to be ambitious, yet attainable. We believe that if the RCT prioritizes this item, it is entirely realistic for the short-term goals of identifying existing regulatory measures, developing draft agreement text, and identifying measures for exceptions and transitional provisions for goods to be completed by the end of 2023. CFIB will be following up early in the new year for an update on the RCT's progress.

We are committed to staying engaged and informed on the RCT's progress in signing a mutual recognition reconciliation agreement by the end of 2024 and look forward to the smooth implementation of the agreement by all jurisdictions shortly after. While it is of paramount importance for an agreement to be signed and implemented in a timely manner, it is also imperative that any such agreement effectively addresses the goal of mutual recognition and brings about meaningful changes that will genuinely benefit businesses and all Canadians. This will not only boost confidence in the agreement, but also contribute significantly to its success in fostering a more seamless and mutually beneficial regulatory environment, ultimately fostering growth and prosperity across Canada.

Beyond advancing mutual recognition and the other items outlined in the Work Plan, CFIB urges the RCT to continue its focus on enhanced reporting and transparency. As suggested in our report card, a comprehensive and transparent report detailing the progress of each jurisdiction regarding reconciliation items is urgently needed, including their participation, or non-participation in the agreements. One example of the lack of clarity in the most recent workplan includes comments like "implementation expected in 2022" when we are already over halfway through 2023 (fall protection - item 3). To this end, CFIB proposes that progress made by each level of government –endorsing, signing, and/or implementation status of reconciliation agreements– be regularly disclosed in an easily accessible report. This annual reporting will provide much-needed transparency to the process, increase accountability for jurisdictions, streamline progress tracking of the agreements, and bolster public confidence.

The removal of domestic trade barriers is key to Canada's economic resurgence. By endorsing a framework where all Canadian jurisdictions mutually recognize all other provincial and territorial standards and regulations, Canada would send a strong signal to the rest of the world that we are serious about fostering an attractive and competitive investment climate. Mutual recognition will greatly benefit both Canadian

businesses and consumers by increasing the choice of goods and services, reducing prices in a high inflation environment, generating new employment, and encouraging innovation.

CFIB appreciates the opportunity to provide input, and the RCT's receptiveness to our recommendations and dedication to improving and advancing internal trade within Canada. If you have any questions regarding our feedback, please do not hesitate to reach out. We can be contacted directly at keykos@cfib.ca or 587-580-9140.

Sincerely,



Corinne Pohlmann
Executive Vice-President, Advocacy



Keyli Loeppky
Director, Interprovincial Affairs

Cc: Darryl O'Brien
Incoming RCT Chair

RCT Representatives

CFTA Committee on Internal Trade Members