

June 27, 2017

The Rt. Hon. Justin Trudeau  
Prime Minister  
Office of the Prime Minister  
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Ottawa ON K1A 0A2  
by email: [justin.trudeau@parl.gc.ca](mailto:justin.trudeau@parl.gc.ca)

The Hon. Navdeep Bains  
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House of Commons  
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**Re: Moving Forward to Eliminate Red Tape through the Canadian Free Trade Agreement's Regulatory Reconciliation and Cooperation Table**

Dear Prime Minister Trudeau and Minister Bains:

The signing of the Canadian Free Trade Agreement (CFTA) presents a critical opportunity for federal, provincial and territorial governments to begin implementing concrete steps to eliminate red tape barriers preventing businesses from trading freely across the country. CFIB has championed the signing of the CFTA, and was very pleased to see it contain two critical elements: a negative list approach to dealing with these barriers, as this will ensure a greater level of transparency for small and medium-sized enterprises (SMEs) seeking to do business in other jurisdictions, and the Regulatory Reconciliation and Cooperation Table (RCT), a key tool in the effort to address the regulatory barriers that businesses face when trading within Canada.

We believe the CFTA is a step in the right direction in creating a business environment that guarantees the long-term success of SMEs in Canada; however, there is still much work to be done.

**Stakeholder Engagement and Composition of the RCT**

We are very pleased that the CFTA provides that all levels of government seek to involve stakeholder groups in the RCT as per Annex 404(1) of the CFTA. **CFIB is interested in participating as a stakeholder group in the RCT.** Additionally, given the important nature of the work the RCT will be undertaking, **it is our strong recommendation that your jurisdiction appoint a senior official such as a Deputy Minister or Assistant Deputy Minister to the role of**

representative to the RCT as outlined in Annex 404 of the CFTA. We recommend that this individual be someone with previous experience in addressing regulatory burdens.

As your government moves forward in addressing regulatory barriers between jurisdictions, we recommend the following five key areas be among the first addressed through the RCT:

### Corporate Registration and Reporting

Small business owners face substantial amounts of red tape when opening an incorporated business in Canada. Although some provinces have already reciprocally eliminated corporate registration requirements for companies located in other jurisdictions, many businesses are still forced to register and file reports in almost every jurisdiction in which they operate, multiplying the paperwork they are required to complete. **A common corporate registry, with provisions for information sharing between jurisdictions, or mutual recognition would eliminate the tedious and costly paperwork barrier for businesses wanting to expand to another jurisdiction. We recommend that each jurisdiction carefully consider what information is actually used from corporate registries and keep provisions and coordination as simple as possible.**

### Agricultural Regulations

In the agri-food sector, differing regulations and standards between jurisdictions often make it difficult for Canadian farmers to sell their products to consumers and retailers across the country. In some cases, retailers may find it easier to bring in meat products from a different country than from a neighbouring province. For example, any meat products that are transported between provinces must be inspected in a federally-registered plant. Facilities that are registered or licensed provincially are only allowed to ship within that province, as the regulations and inspections differ between jurisdictions. Most small meat processors, from butcher shops to sausage makers, are provincially regulated and are therefore unable to sell their products across Canada unless they become federally-registered. **If a food product is deemed safe to consume in one province, it should be considered safe to consume in another. We recommend that the federal, provincial and territorial governments mutually recognize food inspections and regulations in other jurisdictions in order to enable Canadian consumers and retailers to more easily access products produced within Canada.**

### Transportation Regulations

Previous CFIB research identified costs, including the cost of shipping goods, as the biggest challenge faced by small businesses when purchasing or selling goods.<sup>1</sup> As a result, the

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<sup>1</sup> CFIB, Transforming Trade: Reforming our Economic Union, June 2015.

regulatory barriers faced by the transportation sector impacts small businesses across all sectors, as the costs of dealing with paperwork and varying regulations are often passed on to them. One CFIB member based in New Brunswick transports sail boats. He noted that to transport a boat from Port Dover, ON, to Saint John, NB by road, he will have to comply with three different regulations due to the boat's beam (width). Escort cars are needed in Quebec and New Brunswick, but not in Ontario due to differences in the maximum widths accepted. The additional cost to the client to transport the boat through Quebec and New Brunswick will total approximately \$2,000 for the escort. This is just one example where standardization efforts over a matter of inches could contribute to actual cost savings for consumers and businesses owners. Similarly, while there have been efforts in standardizing the permit acquisition process for transporting loads across provincial borders, applying for the various necessary permits constitutes a significant paperwork burden that could be relieved through further cooperation between jurisdictions.

**Measures that could be considered by the RCT include:**

- **aligning the regulations for wide-load transportation to address examples such as the one above;**
- **having one single-trip fuel permit, meant to ensure that interjurisdictional carriers pay the appropriate fuel taxes recognized countrywide;**
- **mutual recognition of single-trip commercial vehicle registration; and,**
- **standardizing the carrier profile.** The carrier profile is similar to a report card rating that is currently different in every province. In some instances, a single company/carrier can have ratings that differ from one province to the next due to variations in regulations. These inconsistencies affect insurance premiums and the ability for businesses to bid for national work.

These are but some of the issues in the transportation sector that need to be addressed. Reducing red tape in the transportation sector will make it easier to move goods and keep costs down, benefitting not only SMEs, but larger industries and consumers. We would also encourage much more dialogue between provincial and territorial governments and the trucking industry so there is greater alignment of trucking rules.

**Professional and Trade Licensing**

While labour mobility amendments under the previous Agreement on Internal Trade (AIT) have improved the mobility of workers across the country, circumstances remain where mobility is limited or restricted. In some cases, administrative requirements for registering in a new province or territory can be lengthy and require additional testing. For example, dental hygienists must be registered or licensed by the appropriate provincial or territorial dental hygiene regulatory authority, and requirements for registration vary by province and territory, including differences in clinical experience, examinations required, and continuing

education requirements. Most provinces are self-regulated with the exception of Prince Edward Island, while the territories are regulated by government.<sup>2</sup> With respect to trades, while the Red Seal program has benefited business and workers across Canada, the designation only applies to larger trades, and even then, only those trades with designated status and guaranteed support from multiple provinces are considered.

Technical safety jobs are also in need of harmonization. For example: elevator technicians have differing certifications and licenses across the country, along with other fields such as power engineering (boiler and refrigeration mechanics). The efforts made by professional and trade licensing regimes do not address the needs of these fields, regulated by each province's safety authority, and are often in the highest demand.

**The RCT should work towards improved recognition and harmonization of technical safety and other non-red seal trades, as well as dental hygienists, while encouraging professional and trade licensing groups to collaborate across jurisdictions to ensure that credentials are fully transferable. Governments and educational institutions should also collaborate to ensure that course sequencing and block releases for apprenticeship training to allow workers to move seamlessly from one province or territory to another.**

### **Worker's Compensation and Occupational Health and Safety**

Workers' Compensation legislation across Canada is confusing and difficult to navigate. Businesses with workers in several jurisdictions must comply with different rules in each province, territory, or federally-regulated workplace, which may vary considerably. In British Columbia, for instance, an out-of-province business would need to register with WorkSafeBC if its out-of-province workers will be in the province for 15 or more days a year. In Nova Scotia, on the other hand, the same business would have to register with their workers' compensation board if it had three or more workers in that province for five or more days in a calendar year.

Businesses must also comply with the various occupational health and safety regulations in each jurisdiction. This can often be costly as it may require different equipment or the recertification of employees in order for them to work on a job site in that jurisdiction. For instance, all provinces have requirements for businesses to have specific types of fall protection for the safety of their workers; however, each jurisdiction mandates different types of fall protection even though gravity works the same way from one province to the next. The same is true of head, foot, and eye protection. First aid kit requirements also still differ in much of the country.

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<sup>2</sup> [http://files.cdha.ca/profession/DHP\\_Canada\\_june2016.pdf](http://files.cdha.ca/profession/DHP_Canada_june2016.pdf)

**Workers' compensation and occupational health and safety requirements are an ideal area for the RCT to improve mutual recognition and, where absolutely necessary, harmonize regulations in areas such as fall protection, head, foot and eye protection. To solve differing registration requirements, the RCT can look to provincial health insurance, where coverage is extended to a Canadian who moves from one province to another for a three month period, as a model.**

The CFTA is just the beginning of working together to resolve red tape issues across the country, and the RCT will be a resource to improve trade within our borders. We hope you will consider the above five issues as a starting point in our contributions to the RCT.

We look forward to continuing our work with your government to maintain the momentum on this file. We would welcome an opportunity to meet soon to discuss our recommendations further and look forward to hearing about your progress soon. We can be reached at 613-235-2373 or by email at [Laura.Jones@cfib.ca](mailto:Laura.Jones@cfib.ca) and [Corinne.Pohlmann@cfib.ca](mailto:Corinne.Pohlmann@cfib.ca).

Sincerely,



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