

CANADIAN BUSINESS AGENDA



March 2008

A monthly update from the Canadian Chamber of Commerce on policy issues affecting Canada's business sector

Finding the Balance: Reducing Border Costs While Strengthening Security

The Canadian and U.S. Chambers of Commerce recently co-chaired a coalition, in collaboration with members and 43 partnering associations, which released a report in late February aimed at both the U.S. and Canadian governments regarding what action must be taken to reduce the costs of border crossings.

The report, entitled *Finding the Balance: Reducing Border Costs While Strengthening Border Security*, indicates that while some good progress has been made by the two governments, short-term measures are called for to eliminate duplicative and burdensome border requirements and facilitate the movement of legitimate passenger and cargo traffic. A number of the seventeen recommendations in the report are aimed at increasing enrolment in trusted shipper and traveller programs which will reduce the costs and time associated with moving people and goods between Canada and the U.S. The more participants in these programs, the more border officials can focus on identifying illegitimate cargo and travellers – the aim of all the security measures.

Following the federal government's budget release, the Canadian Chamber was pleased to recognize that certain recommendations made in the report were met in the budget only six days after the report was released. For instance, \$14 million over the next two years is dedicated to expanding participation in NEXUS; \$6 million over the next two years for federal activities to support provinces and territories introducing enhanced drivers' licences; \$75 million over two years to support Canada Border Services Agency operations; and \$29 million over two years to support the Montebello summit priorities.

In addition, the Canadian Chamber is pleased to recognize that Canada has recently expanded the Temporary Foreign Worker Units (TFWUs) to Toronto and Moncton, facilitating legitimate business travel to Canada through pre-screening and other guidance to employers and foreign professionals including those that meet NAFTA requirements.

All MPs received a copy of this report upon its release. It is also available on our Web site at www.chamber.ca.

Security and Prosperity Partnership Intellectual Property Working Group Meetings

In mid-March, Vancouver will host this year's Security and Prosperity Partnership (SPP) Intellectual Property (IP) working group meetings. The Canadian Chamber of Commerce, along with businesses and stakeholders will gather to discuss advancing IP under the SPP with government. The results of these meetings will be used in the preparation of documents for presentation at the next North American Leaders Summit this summer.

The Canadian Chamber will be looking to follow up on the *IP Action Strategy* that was announced at the 2007 summit in Montebello. In addition, the Canadian Chamber will advocate its support and call for action on the *Anti-Counterfeiting Trade Agreement* (ACTA) that Canada announced its participation in on October 23, 2007. The main objective of ACTA is to develop international standards to better combat the trade in counterfeit trademarked and pirated copyright goods. Provisions would focus on international cooperation, enforcement practices and legal frameworks, including enforcement systems.

Participation in World Health Organization Meetings on Public Health, Innovation & Intellectual Property

Government representatives from both Health Canada and the Department of Foreign Affairs and International Trade will be attending WHO intergovernmental working group meetings on access to medicines in Geneva this April. The Canadian Chamber of Commerce is concerned that previous meetings of this WHO working group have resulted in some nations leading the charge to reduce the effectiveness of patents and render them useless in some countries. It is imperative that Canada present a balanced approach at these meetings and advocate that IP is important and needs to be protected.

Canadian Chamber Welcomes Investment to Expand Border Crossing Facility in Lacolle, Quebec

A recent announcement delivered the news that the government of Canada has committed \$10 million to expand Canada Border Services Agency (CBSA) facilities at the Lacolle-Champlain border crossing. Lacolle-Champlain is the sixth busiest Canada-U.S. border crossing, accounting for approximately 735,000 commercial vehicle crossings per year. The Canadian Chamber has been actively seeking the development of a transportation solution to ease capacity and efficiency problem at Canada's major border crossings.

The expansion project, funded through the Gateways and Border Crossings Fund, consists of expanding commercial and bus processing facilities, resulting in improved border infrastructure, enhanced safety, and decreased traffic congestion.

Legislation to Provide Marketing Choice to Western Canadian Barley Growers

With the recent introduction of legislation to amend the *Canadian Wheat Board Act* the government has clarified that the federal government has the authority to repeal a regulation that extends the Canadian Wheat Board's monopoly over barley. This change would enable farmers to sell their barley to any foreign or domestic buyer, including the Canadian Wheat Board. This proposed amendment is needed to overcome the difficulties the federal government has recently faced, when both the Federal Court and the Federal Court of Appeal found that the federal government's attempt to remove the Wheat Board's barley monopoly through regulation was not allowed by the *Canadian Wheat Board Act*.

The proposed legislation also provides for commercial arbitration between producers and/or grain elevator companies with the Canadian Wheat Board to resolve disputes, rather than having to pursue resolution of these disputes through the court system.

The Canadian Chamber welcomes the introduction of this legislation, which acts on one of the recommendations made in the 2007 Chamber policy resolution on providing marketing choice to western Canadian wheat and barley growers. The proposed legislation seeks to provide western Canadian barley farmers with the freedom to market their product that these farmers want. In a 2007 plebiscite, 62 percent of western Canadian grain growers expressed a desire for marketing freedom.

The Canadian Chamber encourages all MPs to work together to allow this legislation to pass quickly in order to allow marketing choice in barley by August 1, 2008.

Canadian Chamber Encourages Federal Government to Challenge Abuse of WTO Technology Agreement

The *Information Technology Agreement* (ITA) is a WTO agreement that came into force in 1997. Countries that are parties to the ITA commit to bind and eliminate customs duties on covered information and communications technology products. At present, 70 countries are signatories to the ITA, representing more than 97% of global trade in the high-tech sector. In recent years, some signatories, principally the European Union (EU), have taken a narrow approach to the ITA and have not provided duty-free benefits to newer and more technologically sophisticated versions of ITA products. In many instances, these goods have been subject to excessive tariffs. A number of other countries, led by the U.S., are likely to pursue a WTO challenge of this practice, alleging that it violates both the letter and the spirit of the ITA.

On February 25, the Canadian Chamber sent a letter to Assistant Deputy Minister of Trade Policy and Negotiations John Gero at International Trade Canada expressing its support for Canada joining any WTO dispute concerning the EU's reclassification of certain ICT products. This action by the EU violates the letter and the spirit of the *Information Technology Agreement* and sets a dangerous precedent if left unchallenged. The International Chamber has also recently issued a policy statement in which the global business community called for all signatories to uphold the ITA.

The Canadian Chamber fully supports this policy statement and included it with the letter to Mr. Gero. A copy of the letter can be found on the Chamber's Web site at: www.chamber.ca/cmslib/general/080225LetterGero.pdf.

For more info on the Canadian Chamber of Commerce & our policy initiatives, consult www.chamber.ca or contact Chris Gray, cgray@chamber.ca, (613) 238-4000, x251.

The Canadian Chamber has been Canada's Voice of Business™ since 1925. Through our network of local chambers of commerce and boards of trade, we represent over 170,000 businesses. The [Canadian Business Agenda](#) is designed to keep you informed of business issues that affect communities across this country.