



Via e-mail to regulation-reglementation@tbs-sct.gc.ca

June 23, 2022

James van Raalte
Regulatory Affairs Sector
Treasury Board of Canada Secretariat

Canadian Chamber of Commerce submission to the Treasury Board Secretariat on improving Canada's regulatory system

Dear Mr. van Raalte:

The Canadian Chamber of Commerce welcomes the opportunity to provide a submission to the Treasury Board of Canada Secretariat's Regulatory Affairs Sector on ways to improve Canada's regulatory system.

The Canadian Chamber of Commerce is the country's largest business association with a network of over 420 chambers of commerce and boards of trade representing nearly 200,000 businesses of all sizes, in all sectors and regions of our country.

As the pace of change facing Canadian businesses accelerates, companies must be agile and adapt to remain competitive. The right policy environment sets industry up to succeed in this rapidly changing context and generate long-term economic growth. Making Canada an attractive destination for business investment that supports economic growth requires getting the fundamentals right and maintaining a predictable regulatory environment.

In drafting this response, the Canadian Chamber has worked with its members to identify priorities for regulatory modernization. The Canadian Chamber urges the government to prioritize regulatory modernization that will make Canada more competitive and attract new economic opportunities. Prioritizing this will also reduce consumer costs during a time when fighting inflation remains imperative.

Canada's regulatory process requires all departments and agencies to examine the regulatory systems of relevant jurisdictions and to identify concrete areas for alignment. The momentum of the status quo is often used as a barrier to action, while not fully understanding the economic impact to Canada's business. This cannot be allowed to continue.



Please find in Annex 1 a list of recommendations the Government of Canada should implement in order to modernize Canada's regulatory environment.

Additionally, in 2018, the Canadian Chamber published a comprehensive report entitled, "[Death by 130,000 Cuts: Improving Canada's Regulatory Competitiveness](#)". Many of the Chamber's recommendations in the report remain relevant and are now overdue for implementation.

The Canadian Chamber appreciates the government's commitment to discussing regulatory reform. The "Let's Talk Federal Regulations" is an important step for business to provide comments on how the government can make regulation a competitive advantage. Should you have any questions, or wish to further discuss some of the recommendations outlined in this letter, please do not hesitate to contact me directly.

Sincerely,

Robin Guy
Senior Director, Transportation, Infrastructure and Regulatory Policy
Canadian Chamber of Commerce



Annex 1

Accelerating Modernization

Modernizing Canada's regulatory system requires a sustained whole-of-government approach that coordinates action across all departments and provides ongoing mechanisms for research and analysis of innovative and pragmatic approaches.

While the Canadian Chamber commends the government's regulatory modernization agenda, we challenge the government to accelerate progress coming out of the pandemic. Canada must be more ambitious or we risk becoming less competitive.

A concerted federal effort to modernize Canada's regulatory framework can improve environmental, social and economic protections while increasing investment, growth and the number of jobs for Canadians. By delaying the needed modernization of our regulatory system, Canada risks losing the next generation of talent and innovation to competing nations.

Adding an Economic and Competitive Lens Mandate

Too often regulators do not give sufficient considerations to economic and business impacts. To remain competitive, this cannot continue. We urge the government to adopt an economic and competitive lens mandate for regulators to ensure regulations do not hinder growth for Canada's economy.

It is imperative that regulators and businesses work together to share perspectives to develop optimal regulatory approaches. An economic lens mandate for regulators would add a new tool that will encourage manageable regulations that supports economic growth and take into account our competitiveness within the global marketplace.

Establishing a Registry of Inter-Provincial Trade Barriers

The Canadian Chamber commends the Government of Canada for funding that supports the implementation of Canadian Free Trade Agreement (CFTA). But more leadership from the federal government is needed to reduce the over 100 barriers and exemptions that still remain in the agreement. To encourage movement on this key file, the Canadian Chamber recommends the establishment of a public registry of regulatory exemptions to highlight existing barriers. A public registry will not only educate Canadians on the barriers to inter-provincial trade, but will compel governments to defend why such barriers are justified within our national economy.

Aligning Regulations Across Jurisdictions

The Canadian Chamber has long advocated and encouraged governments to modernize individual regulatory frameworks in such a way to better align them both domestically and internationally.



Canadian regulators can benefit from the experience and learnings of international peers when the Canadian public interest can be achieved in a similar manner. When regulations are not aligned, we miss opportunities to harmonize the Canadian market with others, and to adopt smart, effective approaches that are deployed successfully elsewhere.

The government must look to ease the regulatory burden facing Canadian business, and work with industry and our international trading partners to ensure regulatory efficiency and alignment. While the government has established regulatory cooperation mechanisms with the European Union and the United States, the COVID-19 pandemic has stalled much needed progress.

The Canada-United States Regulatory Cooperation Council (RCC) is designed to provide a structured forum for regulators from Canada and the US to tackle regulatory differences that hinder trade. Canadian and American governments must again hold a regulator-stakeholder forum at the earliest suitable time to reinvigorate the RCC and ensure work plans remain aligned with business priorities. This should be accompanied by a summary publication of stakeholder feedback received and proposed work plans, within sixty days.

Several possible areas for consideration include:

- Appliance energy efficiency: Alignment of regulatory standards for appliance and implementation timelines will help to ensure that consumers are able to access a wide range of products and that suppliers do not face disruptions to their supply chains.
- Cyber certification: The RCC should create a specialized sub-group to ensure that Canadian companies can access the services of companies certified by the U.S. Department of Defense's CMMC Accreditation Body. Canada should adopt the CMMC by reference to make it a binational standard and ensure cross-border interoperability.
- Plastics: RCC should be used as forum for evidence-based discussions on shared approaches to the regulatory treatment of plastics to work towards regulatory alignment that meet the needs of consumers and business.
- Green procurement: Both governments should proactively develop common approaches to “buy clean” procurement, including metrics and standards for how products are assessed to be “clean”. This would be forward-looking before becoming a regulatory irritant to business.
- Small Modular Reactors: Both governments must take a proactive approach in developing mutually agreed upon regulations around the usage of SMR to ensure companies’ products are designed with similar purposes in mind (e.g. zoning and planning usage). This would be forward-looking before becoming a regulatory irritant to business.



The Canada-European Union Regulatory Cooperation Forum (RCF), established through Chapter 21 of the Canada-EU Comprehensive Economic and Trade Agreement, provides a forum to discuss regulatory policy issues of mutual interest that have been identified through stakeholder consultations. The government should push to resolve persistent regulatory challenges facing Canadian businesses, through the RCF and other relevant measures. Notably, in the agriculture and agri-food sector, EU non-tariff trade barriers are a persistent and a longstanding challenge. For example, the EU's Farm to Fork framework aims to reduce the use of crop protection product by 50%, fertilizer by 25%, and increase organic production by 25% by 2030. For businesses in Canada's plant and value-based food industry, this has created significant uncertainty as they look to capture at least 10% of a projected \$250 billion global market by 2035.

The government must actively work to improve collaboration and alignment to ensure Canadian businesses are not at a disadvantage in the global economy by domestic regulatory approaches that are disconnected from other jurisdictions. Where Canada intends to take a different approach from other jurisdictions, it must provide a rationale for a Canada-specific approach. Moreover, Canada's international trade obligations under numerous binding free trade agreements prohibit Canada from adopting regulations that present obstacles to trade in the absence of clear scientific justification.

The June 9, 2022, Declaration on Good Regulatory Practices at the Ninth Summit of the Americas is a positive development which includes important actions and practices which will contribute to regulatory cooperation. Canada should work with the Declaration signatories on developing an accountability mechanism that will monitor progress on the items agreed to within the Declaration.

When regulations are more consistent between jurisdictions, Canadian companies are better able to trade both within Canada and beyond.

Basing Regulations on Science

Often the cost of input fluctuations are due to market forces, whereas the regulatory burden imposes a significant cost on businesses, and in turn, on all Canadians. This is a cost that is within the government's control. Inefficient regulation then makes Canadian business less competitive and it prevents small business owners from focussing on their operations and innovations.

Diverging from regulatory best practice and science-based international standards raises the cost of business, reduces foreign investment, and leads to the increased costs of goods for Canadians.

This is especially evident in the agriculture and agri-food sector. A science-based approach to regulation will help enable innovation and increase productivity in the industry while minimizing its environmental footprint and protecting health and safety. For instance, while new technologies are continuing to revolutionize agriculture



internationally, Canada's inability to approve these new technologies in a timely manner risks leaving Canadian producers and consumers behind and makes the sector far less competitive.

Creating Regulatory Certainty

Canadian business needs predictable regulations now more than ever. The government must publicly pledge to provide this certainty to Canadian business.

Unpredictable and burdensome regulations hold back entrepreneurial businesses, while sound and effective regulation can both protect the public interest and promote market success.

The government needs to focus on facilitating and safely removing unnecessary barriers to level-up Canada's competitiveness with other jurisdictions. Businesses need certainty to attract private investment.

Over the last several years, the need to combat misinformation and disinformation around science has become clear. For example, this should include supporting the real science behind agriculture and pushing back against politically or ideologically driven decisions. To this end, the federal government should continue to expand Health Canada's Regulatory Transparency and Openness Framework (RTOF) by adding a strong communication and advocacy program that will help foster public trust and build Canadians' trust in our world-leading food supply.