



June 19, 2023

Mr, James van Raalte
Regulatory Affairs Sector
Treasury Board of Canada Secretariat
Via e-mail to regulation-reglementation@tbs-sct.gc.ca

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 input for the Treasury Board of Canada Secretariat's consultation on the Annual Regulatory Modernization Bill.

The Canadian Chamber of Commerce is the country's largest business association with a network of over 400 chambers of commerce and boards of trade representing nearly 200,000 businesses of all sizes, in all sectors and regions of our country.

Regulation continues to be a growing concern for many businesses and our members. At a time when inflation is rampant, government and the private sector must look at new ways to make Canada more competitive, without expensive new programs.

The Canadian Chamber urges the government to capitalize on this opportunity to modernize regulation in a manner that will make Canada more competitive and attract new economic opportunities. Prioritizing this will also reduce consumer costs at a time when fighting inflation remains imperative.

Canada cannot regulate itself to economic growth – we must have an agile regulatory system that is competitive advantage for Canadian business. As part of this agenda, the Canadian Chamber is advocating for the government to focus on four priority areas: accelerating its modernization plan, adding an economic and competitiveness mandate for federal regulators, ensuring regulatory alignment across jurisdictions, and establishing regulatory certainty.



The Canadian Chamber appreciates the government's commitment to discussing regulatory reform. "Let's Talk Federal Regulations" is an important platform 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
Vice President & Deputy Leader, Government Relations
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.

In Budget 2018, the government proposed a new, modern and ambitious regulatory agenda that would make it easier for companies to do business and grow. While some progress has been made, increasing regulatory obligations are impacting businesses of all sizes.

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

We cannot be complacent about the pace at which we are working. With Canada's current project review and permitting processes, we are hindering our ability to meet government commitments, such as creating increased capacity of our transportation network, the Indo-Pacific Strategy, or our net zero ambition. We are not asking for government to abandon due diligence – however, we can no longer accept “ten years to maybe” for project approvals.

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 much needed modernization of our regulatory system, Canada risks losing the next generation of talent and innovation to competing nations.

Adding an Economic and Competitiveness 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 competitiveness mandate for regulators to ensure their changes do not hinder the growth of Canada's economy.

At a time when economic growth outlook is bleak, it is imperative that regulators and businesses work together to share perspectives to develop optimal regulatory approaches.

In the government's Fall Economic Statement 2018, the government proposed to “explore making a competitiveness a permanent part of regulatory mandates”. The Canadian Chamber has long urged the government to adopt this commitment.



An economic 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.

Ensuring Regulatory Alignment

Regulatory effectiveness is integral to a competitive environment and requires regulating smarter to attract new economic opportunities to Canada. As such, the Canadian Chamber urges the government to modernize individual regulatory frameworks to better align with international standards.

The government must actively work to improve collaboration and alignment to ensure Canadian businesses are not at a global disadvantage. Where the government intends to adopt a Canada-specific approach regulatory, it must provide a rationale. 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.

Canadian regulators can benefit from the experience and learnings of their international peers, enabling the Canadian public interest to benefit from a similar approach. When regulations are not aligned, we miss opportunities to harmonize the Canadian market with our global competitors, and to adopt smart, effective approaches that are deployed successfully elsewhere.

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

Establishing Regulatory Certainty

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.

The government must publicly pledge to provide a stable business environment.

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.

Regulatory uncertainty and changing expectations in the regulatory process are a poison pill to those looking to invest billions of dollars developing new pipelines, new mines and other large-scale nation-building infrastructure projects. We need predictable timelines to



encourage capital investment. It can't take a decade to approve infrastructure projects. In this sense, streamlining the regulatory process and adopting strict timelines for approving major infrastructure projects is essential — and long overdue.

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.