

## **Budget Request in Support of Strategic Alignment of Canadian Commercial Border Operations**

### **Submitted by:**

- **Canadian Association of Importers and Exporters**
- **Canadian International Freight Forwarders Association**
- **Canadian Chamber of Commerce**
- **Canadian Federation of Independent Business**
- **Shipping Federation of Canada**
- **Canadian Produce Marketing Association**
- **Canadian American Border Trade Alliance**
- **Association of International Customs and Border Agency**

### *Preamble*

The global COVID-19 pandemic continues to have a major impact on supply chains. Many businesses have gone bankrupt and even more are on the brink. The pandemic has simultaneously acted as a major disruption and catalyst. Core patterns of trade are shifting in business: they are shifting towards sustainability and digital platforms. If Canada wants to remain a force in international markets, change is needed. Canada will need to increase our competitiveness to attract and retain business. A key factor in competitiveness is ease of doing business. Canada's border ranks 51st in the world<sup>1</sup>.

To ensure that our country's pandemic response leads to a stronger and more resilient Canada, our border must regain a top-tier world ranking. An interagency review of all regulations that affect supply chains and the commercial border would allow the Government of Canada to help businesses more seamlessly access international markets. Coordinating the review in partnership with the departments identified below will make doing business at Canada's border safer for Canadians and easier for business.

Canada is currently the only G7 country to have concluded trade agreements with all other G7 countries. While Canada rightly wants to capitalize on this advantage and put Canadian businesses at the centre of trading relationships with Europe, Asia, and the Americas, Canada's trade diversification strategy must also look inward, re-evaluating Canada's commercial border policies to ensure Canadian importers and exporters have the capacity to reach their goals.

### **Why we need an interagency review:**

**Regulatory processes play an integral part of Canada's global competitiveness.** As the government continues its regulatory reform efforts through the Treasury Board Secretariat and the Regulatory Cooperation Council, a whole of government review of Canada's current border operations must be included in order to truly reduce administrative burden and create benefits for Canadian exporters and supply chains. While the new CBSA CARM system is intended to streamline processes, the department is simultaneously proposing additional regulation and bonds under CARM's implementation, which will disproportionately cost small business to the tune of \$100 million annually.

**Regulatory processes play an integral part of Canada's global competitiveness** In addition to recently-implemented, complex regulations, such as the *Safe Foods for Canadians Regulations*, between now and 2022, a number of departments will be implementing new, large-scale regulatory programming.

Without coordination and oversight, these new programs – such as CBSA’s CARM, or Transport Canada’s Electronic Logging Device, Environment Canada’s CEPA amendments, Employment and Social Development’s Forced Labour Regulations, Health Canada’s Natural Health Products and a myriad of others could have the unintended consequence of gridlock at the border and disrupted supply chains.

***Request: Institute a Regulatory Review Pilot (RRP) as a Proof of Concept***

Our coalition of industry associations request that Budget 2021 include a provision to re-allocate 3-4 staff members from Global Affairs Canada to lead an interagency regulatory review. The Global Affairs team would work with industry stakeholders and all departments with regulatory programs that impact the commercial border, with a focus on managing regulations at the border in a more efficient manner.

It is our hope that findings from such a review may act as a proof of concept for a Canadian Interagency Border Secretariat, which could provide longer-term oversight and interagency regulatory cooperation drawing on the experience of industry.

In addition to our request for a re-allocation of 3-4 FTE staff from Global Affairs Canada, we would also recommend that at least one staff member be re-allocated from the following departments:

- Agriculture and Agri-food Canada
- Canadian Food Inspection Agency
- Environment and Climate Change Canada
- Employment and Social Development
- Department of Finance
- Fisheries and Oceans Canada
- Health Canada
- Infrastructure Canada
- Innovation, Science and Economic Development Canada
- Natural Resources Canada
- Public Safety Canada
- Canada Border Services Agency
- Transport Canada

Each staff member will serve as a liaison from their department to the regulatory review pilot. They will be responsible for identifying all regulatory policy from their departments that impact supply chains and the commercial border. The assigned departmental representatives will equally collaborate with the above requesting industry associations.

***Requested Regulatory Review Pilot Actions to be completed ahead of Budget 2022.***

- 1) Identify all *current* government policy with an impact on Canada’s border and supply chains. The secretariat should map out all risks from overlap and incongruity with international standards. The regulatory review pilot should hold regular consultations with industry to understand the impact of each policy on Canada’s businesses. Industry must verify both the completion and accuracy.
- 2) Identify all *scheduled* implementation of policy with an impact on Canada’s border and supply chains. The regulatory review pilot should deliver an extensive visual roadmap for impacted

industry associations that fully outlines all upcoming regulations. The regulatory review pilot should hold consultations with industry associations to understand the risks of the regulations individually and as a collective.

- 3) Identify all *proposed* policy with an impact on Canada's border and supply chains. The regulatory review pilot should deliver an extensive visual roadmap for impacted industry associations that fully outlines all upcoming regulations. The regulatory review pilot should hold consultations with industry associations to understand the risks of the regulations individually and as a collective.
- 4) The regulatory review pilot should create recommendations on long-term strategic regulatory competitiveness at Canada's border and global supply chains. The secretariat should work with departmental representatives and industry stakeholders to draft a fully costed recommendation to implement a strategic body within the Government of Canada, which is responsible for the alignment of Canada's international trade policy and the operation of Canada's commercial border.

We the undersigned industry associations look forward to the full consideration of this request.



En affaires pour vos affaires.



In business for your business.



Canadian Chamber of Commerce

Chambre de Commerce du Canada



CANADIAN / AMERICAN Border Trade Alliance



CANADIAN PRODUCE MARKETING ASSOCIATION  
ASSOCIATION CANADIENNE DE LA DISTRIBUTION DE FRUITS ET LÉGUMES

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<sup>i</sup> <https://www.doingbusiness.org/en/rankings>