

August 19, 2022

Mr. Kevin Hannam
RCT Chair
Senior Policy Advisor, Economic Development
Government of Yukon

Subject: CFIB Submission to Regulatory Reconciliation and Cooperation Table (RCT) Work Plan for 2022-2023

Dear Mr. Hannam:

On behalf of 95,000 Canadian Federation of Independent Business (CFIB) members, we are writing to provide our input to the Regulatory Reconciliation and Cooperation Table (RCT). We recognize the efforts made by governments and the work of the RCT in previous years to reduce barriers to trade and enhance labour mobility in Canada. However, many high-profile barriers remain (e.g. shipping liquor products directly to consumers and allowing provincially inspected meat to be sold between provinces), many reconciliation agreements have yet to be ratified and/or implemented by all provinces and the federal government (e.g. health and safety standards related to fall protection; first aid kits; head, foot, eye, hearing or head protection; and personal flotation devices), and a high number of exemptions are still in place in some provinces and at the federal level.

CFIB recently published a [new report card on internal trade](#) to coincide with the 5th anniversary of the Canada Free Trade Agreement (CFTA). The report card evaluates specific indicators including CFTA exceptions, select barriers to internal trade, and the implementation status of RCT items. The grades on the report card are low, but do not indicate that no progress has been made. Rather, they reflect that much more work remains for provinces, and the federal government. At one time, eliminating unnecessary barriers to working and trading across Canada was less urgent. However, with labour shortages and cost pressures mounting, wasting time and money is a luxury few can afford.

CFIB continues to recommend the RCT **move quickly to adopt a mutual recognition agreement encompassing all federal, provincial and territorial regulatory measures that impose requirements on the sale or use of all goods and services** – such that any good or service that may be sold or used in one province may be readily sold or used in all other provinces and territories without having to meet any additional requirements. Under this approach, we would expect provinces and territories to mutually recognize each other's regulatory standards. One example is differing occupational health and safety requirements with respect to everything from work boots to fall protection. If a business is meeting the health and safety standards of one province/territory, why would that not be sufficient for any province/territory? We accept that exceptions can be taken by provinces and territories as needed (negative list approach). This approach is

preferred to the current process of identifying barriers and taking years to sign and implement a reconciliation agreement.

We were pleased to see our recommendation on mutual recognition added as item 30 on the RCT Work Plan last year. We recommend the RCT clarifies the definition of mutual recognition in the Work Plan to match the definition and ideas above.

Canada's premiers reiterated their commitment to removing internal trade and labour mobility barriers at the most recent Council of the Federation meeting in Victoria on July 11-12. In their [statement](#), we particularly note their direction to the RCT to "accelerate work underway on developing a potential model for mutual recognition of regulations with a negative option list." We hope the RCT takes this direction seriously in the upcoming year. The [Alberta government recently announced it is exploring mutual recognition](#) through a study of its benefits in Canada, which should be useful in this work.

Apart from the Work Plan, CFIB recommends the RCT focus on improved reporting and transparency in 2022/2023. As suggested in our report, a detailed transparent report of each jurisdiction's status pertaining to reconciliation items is required, as well as their participation, or non-participation in the agreements. To this end CFIB recommends the progress made by each level of government to both endorse the reconciliation agreements, as well as the implementation status of endorsed agreements be regularly reported. Since our report card has been published, several jurisdictions questioned how we are counting exemptions, particularly those related to procurement. Currently there is no consistent counting method. CFIB recommends jurisdictions agree on a standardized counting method and the count be published regularly in an easy to find location.

Removing domestic trade barriers is key to Canada's economic recovery. By confirming that each jurisdiction in Canada mutually recognizes all other provincial and territorial standards and regulations, Canada would send a strong signal to the rest of the world that it is serious about creating an attractive investment climate. Mutual recognition would be a great benefit to both Canadian businesses and consumers by increasing the choice of goods and services, reducing prices in a high inflation environment, generating new employment, and encouraging innovation.

CFIB appreciates the opportunity to provide input to the RCT. If you have any questions, please do not hesitate to reach out.

Sincerely,



Laura Jones
Executive Vice President &
Chief Strategic Officer



Corinne Pohlmann
Senior Vice President,
National Affairs & Partnerships



Keyli Loepky
Senior Policy Analyst

Cc: Lyndi Blakley
RCT Vice-Chair

RCT Representatives

Canada's Trade Ministers