

Canada – United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada – États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the U.S. Congressional
Meetings**

Canada–United States Inter-Parliamentary Group

**Washington, D.C., United States of America
15–17 May 2018**

Report

DELEGATION MEMBERS AND STAFF

From 15–17 May 2018, Senator Michael L. MacDonald and the Honourable Wayne Easter, P.C., M.P., Co-Chairs of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation to Washington, D.C. for meetings on Capitol Hill. The other members of the delegation were Senators Dennis Dawson, Paul Massicotte, Vice-Chair and Yuen Pau Woo, Vice-Chair, as well as the Honourable John McKay, P.C., M.P., Vice-Chair, Mr. Vance Badawey, M.P., Vice-Chair, Mr. Kerry Diotte, M.P., Vice-Chair, Mr. Randy Hoback, M.P., Vice-Chair, Mr. James Maloney, M.P., Mr. Brian Masse, M.P., Vice-Chair and Mr. Francesco Sorbara, M.P. Vice-Chair. The delegation was accompanied by Ms. Miriam Burke, the Executive Secretary, Ms. June Dewetering, Senior Advisor, and Mr. Brett Capstick, Advisor all of the Canadian section

Prior to their meetings with U.S. Senators and members of the U.S. House of Representatives (see Appendix A), the delegation had a briefing by Canada’s Ambassador to the United States, David MacNaughton, and his staff. While in Washington, members of the Canadian Section also had the opportunity to attend an event sponsored by the Canadian American Business Council and The Hill on the topic of “NAFTA & North American Competitiveness: A US-Canada Conversation.” During the event, Mr. Easter was interviewed by The Hill’s Editor-in-Chief, Bob Cusack.

THE EVENT AND DELEGATION OBJECTIVES

Meetings on Capitol Hill enable members of the IPG’s Canadian Section to inform U.S. federal legislators about, and gain their support on, critical issues affecting Canada and the United States. These meetings may be especially useful when they occur with Senators and Representatives who have recently been elected to the U.S. Congress or who do not attend the IPG’s annual meeting.

During their May 2018 meetings on Capitol Hill, Canadian parliamentarians focused primarily on the current North American Free Trade Agreement (NAFTA) negotiations, although – as identified below – other issues were also raised. The meetings were similar in intent to previous U.S. Congressional meetings that focused on such topics as bovine spongiform encephalopathy, bilateral trade in softwood lumber, “Buy American” provisions in U.S. legislation, energy trade and security, the Western Hemisphere Travel Initiative, the international crossing at Detroit, Michigan and Windsor, Ontario, and border security and facilitation.

Since the Canadian Section’s meetings with U.S. federal legislators are designed to be private and “off the record,” the report below summarizes the general nature of the issues that were raised by Canadian and American legislators.

ISSUES RAISED BY THE CANADIAN SECTION OF THE CANADA–UNITED STATES INTER-PARLIAMENTARY GROUP

THE OBJECTIVES OF THE CANADA–UNITED STATES INTER-PARLIAMENTARY GROUP

- Established almost six decades ago, the Canada–U.S. IPG has four key objectives: find points of convergence in respective national policies; initiate dialogue on points of divergence; encourage the exchange of information; and promote better understanding among Canadian and American legislators on shared issues of concern.
- Members of the IPG’s Canadian Section pursue their goals primarily through meeting with their Congressional counterparts in Washington, D.C., or Ottawa and occasionally in other locations in Canada or the United States; as well, they liaise with U.S. governors and state legislators at national and regional conferences throughout the United States and, sometimes, in Canada.

GENERAL COMMENTS ABOUT CANADA–UNITED STATES TRADE, OTHER THAN THE *NORTH AMERICAN FREE TRADE AGREEMENT*

- Trade agreements should be “fluid”; as required, they should be updated to recognize technological and other changes.
- Trade is an area in which Canada and the United States should be able to work together with common cause for joint benefit.
- An estimated 9 million U.S. jobs depend on trade and investment with Canada.
- On average, about 400,000 people cross the Canada–U.S. border daily.
- According to a recent estimate, goods and services valued at more than \$2.4 billion cross the Canada–U.S. border each day.
- The United States exports more goods and services to Canada than it does to China, Japan and the United Kingdom combined.
- Disputes are inevitable when a trade partnership has the breadth and depth of the Canada–U.S. relationship.
- The Trans-Pacific Partnership (TPP) that was concluded by 12 countries, including Canada and the United States, in October 2015 was a geopolitical – as well as a trade – agreement; the United States’ withdrawal from the TPP was a geopolitical “loss.”
- As a geopolitical agreement, the TPP agreement could have helped to “counterbalance” China’s influence; it is hoped that the Comprehensive and Progressive Agreement on Trans-Pacific Partnership will now do so.

- If Canada's exemption from U.S. steel and aluminum tariffs were to end, the steel and aluminum – and other – sectors in both countries would be harmed; as well, North American competitiveness would be negatively affected.
- Canada is more open to dairy imports than is the United States.

NEGOTIATING CHANGES TO THE *NORTH AMERICAN FREE TRADE AGREEMENT*

- During the current NAFTA negotiations, Canada, the United States and Mexico should focus on working together for a win-win-win agreement that would enable the North American region to compete more effectively against the rest of the world, including China; the agreement should be augmented, not undermined.
- The world has changed since NAFTA was implemented and modernization is required, including to address new issues and technologies.
- The uncertainty that exists regarding NAFTA is having negative impacts in Canada and the United States, including reduced investment.
- The prospect of a sunset clause within NAFTA is leading to an “investment chill” in North America; moreover, such a clause would be detrimental for businesses that seek certainty.
- Within the context of NAFTA, it is important to remember the integrated supply chains that exist throughout North America and that lead to efficiencies for businesses.
- An end to NAFTA would have global implications.

OTHER ISSUES

- Canada succeeds when the United States succeeds.
- Although there will always be disputes between Canada and the United States, there is no better bilateral relationship in the world.
- Canada and the United States should focus on the aspects of the bilateral relationship that are working well; the countries cannot afford to let small differences “upset” the relationship.
- The border between Canada and the United States should be easy to cross for goods and people that are deemed “safe and secure.”
- Canada and the United States should work together on security issues where they have “common cause,” including in relation to border security and cybersecurity; security issues are currently more important than at any other time in history.

- A number of U.S. states and Canadian provinces have excellent relationships, and they should become the model for the partnership between Canada and the United States.
- Legislative changes in one country, including in relation to taxation and investment, can have unintended consequences in other countries; for example, the U.S. transition tax affected dual Canada–U.S. citizens in an unexpected manner.
- The next U.S. Farm Bill will have implications for countries throughout the world, including Canada.
- It is possible that, at least initially, Canada’s legalization of cannabis may lead to some uncertainty and delays at the Canada–U.S. border.
- Like a number of U.S. states, some Canadian provinces are experiencing an opioid epidemic.
- Concerning disruptive technologies, Canada and the United States should work together to develop consistent policies and regulations.
- Regarding the United States’ withdrawal from the Iran nuclear deal, the imposition of U.S. sanctions on third-party jurisdictions that continue to deal with Iran could be seen as undue interference in the sovereign choices of those jurisdictions.

ISSUES RAISED BY U.S. SENATORS AND MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

GENERAL COMMENTS ABOUT UNITED STATES–CANADA TRADE AND THE BILATERAL RELATIONSHIP

- Millions of U.S. jobs depend on trade with Canada.
- In general, Americans want free and fair trade.
- It must be understood that negotiations involve “give and take” among all bargaining parties.
- The United States’ relationship with Canada is both significant and important, including with respect to trade.
- In the U.S. Congress, votes on trade-related matters are often “close,” with a limited number of votes separating “passed” from “failed to pass.”
- A number of members of the U.S. Congress are opposed to a variety of trade-related actions that are being taken by the Trump Administration, including the section 232 investigations that are occurring under the *Trade Expansion Act of 1962* and the resulting tariffs on countries that are U.S. allies; some of these members are making their opposition known in various ways.

- Congressional pressure may have been instrumental in leading to some delays in, and extensions to, trade actions taken to date by the Trump Administration.
- More must be done to communicate the benefits of international trade to countries, and to consumers and businesses in those countries; this element is missing from the debate about international trade, and data should be used to “tell and sell” the “trade story.”
- As one indication of sentiment within the United States regarding international trade, it is perhaps notable that both the Republican and the Democratic presidential candidates in the most recent federal election were opposed to the TPP agreement; their position may have reflected some protectionist sentiments in various parts of the United States.
- With the United States’ withdrawal from the TPP, some Americans believe that their country has been “left behind.”
- No one benefits from a “trade war.”
- Even if tariffs are not implemented, talking about them can be damaging.
- Discussions about U.S.–Canada trade in softwood lumber products continue to be difficult.
- An automobile crosses the U.S.–Canada border several times during the manufacturing process.
- Some in the United States believe that the country’s wine exports to Canada are unduly restricted.

NEGOTIATING CHANGES TO THE *NORTH AMERICAN FREE TRADE AGREEMENT*

- NAFTA was implemented decades ago, and the agreement needs to be “refined,” “refreshed” and modernized.
- NAFTA contributes to prosperity in a number of U.S. states, perhaps especially in those that are very trade-dependent; that said, all districts are affected by the agreement in some way.
- NAFTA is important to specific sectors in U.S. states, including agriculture; the United States’ withdrawal from the agreement would be “catastrophic” for that sector.
- NAFTA is integral to the United States’ and the other North American economies; from that perspective, the agreement should be maintained, although improved to make North America stronger and more competitive.

- Some Americans share the concerns of Canadians about the United States' NAFTA negotiating objectives.
- During the NAFTA negotiations, the Trump Administration may be seeking "wins" in specific areas, such as dairy trade.
- Despite assertions by the Trump Administration, it is not necessarily clear that President Trump has the unilateral authority to terminate NAFTA; that said, President Trump's professional life to date has been characterized by unilateral decision making.
- Some members of the U.S. Congress are concerned that President Donald Trump will give a "take it or leave it" choice regarding NAFTA.
- The Trump Administration's consultation with the U.S. Congress, including the U.S. House of Representatives Committee on Ways and Means, about the modernization of NAFTA has been very limited.
- The United States' statute that provides the U.S. president with trade promotion authority has certain time lines that must be respected.
- Some Americans feel that, as a consequence of NAFTA, U.S. jobs have been relocated to Mexico.

OTHER ISSUES

- The United States and Canada have a long history of being strong allies and friends; the two countries are "interconnected."
- The United States and Canada should share information about cyber and other vulnerabilities.
- Regarding cybersecurity, it is important to determine the duration of time between when an infiltration occurred and when it is identified as having occurred.
- Actions that would enhance the ability of North America to compete as a region against the European Union and Asia should be an important focus for the United States and Canada.
- The United States supports strong intellectual property rights in other countries; for example, such rights should be stronger in China than is currently the case.
- Some members of the U.S. Congress are considerably more concerned about the United States' border with Mexico than they are about its border with Canada.
- While secure borders are important, it should be remembered that your neighbours are your neighbours.

- The focus should be borders that “work,” rather than “open” borders.
- Canada is a strong defence ally to the United States, including in the context of the North Atlantic Treaty Organization.
- It is important to finalize the next U.S. Farm Bill in order to provide American farmers with certainty and predictability.
- Labour shortages exist in some parts of the United States.
- North America should be the “bread basket” of the world; as well, it should be supplying the world with energy.
- Canada is to be congratulated on its pro-energy policy.
- Shipping oil by rail or by truck is more dangerous than transporting it by pipeline.
- All countries, and all citizens of those countries, should focus on renewable energy.
- The United States and Canada are working together on changes to the *Columbia River Treaty*.
- Among other potential impacts, transborder mining can affect fisheries, and the United States and Canada should work together on this issue.
- There is some evidence that cannabis has medical benefits.
- Some U.S. states are experiencing an opioid crisis, and cocaine and other drugs are being “laced” with fentanyl.

Respectfully submitted,

Hon. Michael L. MacDonald,
Senator, Co-Chair
Canada–United States
Inter-Parliamentary Group

Hon. Wayne Easter, P.C., M.P.
Co-Chair
Canada–United States
Inter-Parliamentary Group

APPENDIX

MEMBERS OF THE U.S. SENATE AND HOUSE OF REPRESENTATIVES AND/OR THEIR STAFF WITH WHOM THE CANADIAN DELEGATION MET

U.S. Senate:

John N. Boozman	Cindy Hyde-Smith
Thomas R. Carper	Ron Johnson
Michael D. Crapo	Amy Klobuchar
Steve Daines	Michael Lee
Charles E. Grassley	Lisa A. Murkowski
Maggie Hassan	Pat Roberts

U.S. House of Representatives:

Robert B. Aderholt	Drew Ferguson	Gregory W. Meeks
Donald Bacon	Lois Frankel	Dan Newhouse
Ami Bera	Bob Gibbs	Ralph Norman
Jack Bergman	Jimmy Gomez	Tom O'Halleran
Sanford D. Bishop	Brian Higgins	Jimmy Panetta
Earl Blumenauer	French Hill	Chellie Pingree
Suzanne Bonamici	George Holding	Robert Pittenger
Joaquin Castro	Bill Huizenga	Ted Poe
Steven Chabot	Marcy Kaptur	Jamie B. Raskin
Judy Chu	Ruben Kihuen	Tom Reed
David Cicilline	Derek C. Kilmer	David G. Reichert
J. Luis Correa	Adam Kinzinger	C.A. Ruppertsberger

Ryan Costello

Henry Cuellar

Danny K. Davis

Suzan DelBene

Mark DeSaulnier

Theodore Deutch

Sean Duffy

Raja Krishnamoorthi

Sander M. Levin

Jason Lewis

Kenny Marchant

A. Donald McEachin

Mark Meadows

John Rutherford

Terri Sewell

Mike Thompson

Dina Titus

Joe Wilson

Robert J. Wittman

Travel Costs

ASSOCIATION	Canada–United States Inter-Parliamentary Group
ACTIVITY	U.S. Congressional Meetings
DESTINATION	Washington, D.C., United States of America
DATES	15–17 May 2018
DELEGATION	
SENATE	The Hon. Michael L. MacDonald, Senator The Hon. Dennis Dawson, Senator The Hon. Paul J. Massicotte, Senator The Hon. Yuen Pau Woo, Senator
HOUSE OF COMMONS	The Hon. Wayne Easter, P.C., M.P. The Hon. John McKay, P.C., M.P. Mr. Vance Badawey, M.P. Mr. Kerry Diotte, M.P. Mr. Randy Hoback, M.P. Mr. James Maloney, M.P. Mr. Brian Masse, M.P. Mr. Francesco Sorbara, M.P.
STAFF	Ms. Miriam Burke, Executive Secretary Ms. June Dewetering, Senior Advisor Mr. Brett Capstick, Advisor
TRANSPORTATION	\$ 7,632.34
ACCOMMODATION	\$ 21,691.76
HOSPITALITY	\$ 0.00
PER DIEMS	\$ 6,885.33
TOTAL	\$ 36,209.43