

Canada – United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada – États-Unis  
Section canadienne

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## **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  
26–27 February 2019**

# Report

## **DELEGATION MEMBERS AND STAFF**

From 26–27 February 2019, the Honourable Wayne Easter, P.C., M.P., Co-Chair 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 (see Appendix) alongside the Honourable Senator Robert Black. The delegation was accompanied by Mr. Brett Capstick, Advisor to the Canadian Section.

Prior to their meetings with members of the U.S. House of Representatives, the delegation met with Canada’s Ambassador to the United States, David MacNaughton, and Embassy staff received a comprehensive briefing on the Canada–U.S. relationship and related issues.

## **THE EVENT AND DELEGATION OBJECTIVES**

During their meetings with members of the House of Representatives, the delegation focused on a range of issues that are important to the Canada–U.S. relationship. In particular, the meetings addressed topics that included: the ratification of the Canada United-States Mexico Agreement (CUSMA), section 232 tariffs on certain steel and aluminum products, cybersecurity and the defense of critical infrastructure, the North American Aerospace Defense Command (NORAD) and environmental issues such as disaster relief efforts and cross-border emergency response.

During this Congressional visit, the delegation predominantly met with newly elected members of the U.S. House of Representatives who had taken office as a result of the 2018 midterm elections. These meetings enabled members of the Canadian Section to speak with U.S. federal legislators to inform them about, and gain their support on, critical issues affecting both countries. Furthermore, the delegation was able to promote participation in the IPG to new legislators, who may have been unfamiliar with the group’s work. More generally, members of the Canadian Section believe that congressional meetings are an invaluable opportunity to initiate productive discussions on issues of common concern.

Since the Canadian Section’s meetings with U.S. federal legislators are designed to be private, the report below summarizes the general nature of the issues that were raised by Canadian and American legislators without attribution.

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

The Canada–U.S. IPG has four key objectives: to find points of convergence in respective national policies; to initiate dialogue on points of divergence; to encourage the exchange of information; and to 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., Ottawa, ON or occasionally in

other locations throughout Canada and the United States. In addition, members liaise with U.S. governors and state legislators at national and regional conferences.

## **TOPICS RAISED BY MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES**

### **The Canada–United States–Mexico Agreement**

- The U.S.–Canada relationship is perceived to be strong and important, and members of the U.S. House of Representatives are enthusiastic about continuing this relationship.
- While many members believe free trade agreements are, in principal, beneficial to all parties involved, certain members have yet to form a definitive position on CUSMA and are in the process of seeking additional information on the agreement.
- The New Democrat Coalition – or “New Dems” – is the largest Congressional Member Organization in the U.S. House of Representatives and has not expressed a position on CUSMA; however, this coalition generally opposes the current administration’s trade policy.
- A number of members expressed concern with particular aspects of CUSMA, including the enforceability of labour and environmental standards in Mexico, rules of origin provisions and the extended patent protection given to biologic medicines. Notwithstanding these concerns, some members believe that the Democratic Party’s efforts to amend the current draft of the agreement will not be successful.
- Some member of Congress feel that the Democratic Party, who now hold the majority of seats in the U.S. House of Representatives, has not been adequately consulted on the provisions of CUSMA.
- Opinions among federal legislators differ as to the likelihood of CUSMA being ratified by Congress prior to 2020.
- No members expressed concerns with CUSMA that were specific to the U.S. – Canada relationship, though some expressed ongoing interest in U.S.–Canada dairy and lumber related issues.
- Certain U.S. labour unions hold negative opinions of the *North American Free Trade Agreement* (NAFTA), which CUSMA may have to overcome in order to have widespread support in the United States.
- Many members of the U.S. House of Representatives believe that the section 232 tariffs imposed by the United States on certain Canadian steel and aluminum products – along with Canada’s retaliatory tariffs – should be removed prior to the ratification of CUSMA.
- Some members would have preferred a simpler modernization of NAFTA in comparison to the lengthy negotiations over CUSMA.

## **Trade and Investment**

- Some members noted that the section 232 tariffs imposed by the United States on certain steel and aluminum products have been beneficial to the steel and aluminum producers in their respective congressional districts, but also noted that they are aware of the additional costs these tariffs impose on other businesses. Other members feel these tariffs are – overall – entirely detrimental to all countries involved.
- Addressing a number of China’s trade practices may be the ultimate purpose of the administration’s imposition of the section 232 tariffs, and some members believe that these tariffs are making progress in this regard.
- Many members feel that the United States should not engage in a trade war with other nations, that isolationism is generally damaging to the United States, and are concerned with the current administration’s trade policies.
- Automakers are lobbying members of the U.S. House of Representatives for the removal of section 232 tariffs on certain North American steel and aluminum products.
- As an alternative to the 232 tariffs on certain Canadian steel and aluminum products, the current United States Trade Representative has advocated for a system of tariff rate quotas, which would allow a specified amount of these products to enter the United States duty free while applying a tariff on quantities above that level.

## **Energy and the Environment**

- Some members expressed interest in reconsidering United States’ participation in the Paris Agreement on climate change.
- Efforts to address climate change should be rebranded from a narrative that focuses on how the negative economic effects of such efforts are allocated throughout a society, to a narrative of improving that society’s cost competitiveness. For example, renewable energy sources have higher up-front capital costs but lower marginal costs, which is the opposite of traditional fossil fuels. This cost structure may prove to businesses that investing in renewable energies is a wise venture, and federal policies that endorse this perspective do not suggest negative economic consequences.
- Significant U.S. corporate investment is made in Canada because its energy policies are perceived to be stable.
- Members expressed opposing views on the merits of the Green New Deal, a proposed stimulus program that would aim to address climate change and economic inequality.

## **Defence and Security**

- Members of the U.S. House of Representatives do not perceive Canada as a threat to U.S. National Security, and stressed that the counter-position should not be used as an argument for advancing U.S. federal policy.
- Members with previous experience in the U.S. military universally praise the Canadian Armed Forces for its professionalism and effectiveness, and believe Canada is an important military ally to the United States.
- While the current U.S. administration's focus is firmly on the U.S.–Mexico border, certain members are attempting to shift public attention to the U.S.–Canada border, which has considerably less security and infrastructure.
- Certain members believe that membership in the North Atlantic Treaty Organization (NATO) is important to global security, despite President Trump's remarks about NATO rhetoric.

## **Other Topics of Interest**

- Canada has been cited as a role model during U.S. Congressional discussion focussing on campaign finance reform.
- Canada has used its Temporary Foreign Workers Program to great success in certain agricultural sectors, such that U.S. mushroom farming is struggling to compete with its Canadian counterparts due to U.S. labour shortages.

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

### **Canada–United States Inter-Parliamentary Group**

- Involvement with the IPG is an excellent opportunity to further policy discussions on topics of joint interest, and new members of congress are encouraged to participate.
- The IPG is in the process of arranging a joint meeting of federal legislators this spring in a NORAD facility such as Peterson Air Force Base in Colorado Springs, Colorado.

## **Trade and Investment**

- CUSMA would increase U.S. agriculture access to the Canadian market by \$450 million.
- The retaliatory tariffs imposed by Canada and Mexico on certain U.S. goods in response to the United State's imposition section 232 tariffs on certain steel and aluminum products have cost the U.S. agriculture sector \$1.8 billion. Canada is

prepared to end its retaliatory tariffs immediately upon the United States' removal of section 232 tariffs on Canadian steel and aluminum products.

- The majority of exemptions granted by the United States to section 232 tariffs on certain steel and aluminum products have been provided to Chinese companies, which is counter to the stated goals of the tariff's imposition.
- The North-American trading block should be "solidified" in order to increase its competitiveness vis-à-vis other trading blocks, such as the European Union.
- The rapid ratification of CUSMA would increase certainty for businesses with operations and investments in North America.
- Canada is working toward ratifying and implementing CUSMA in a timely manner.
- The new Mexican Government is supportive of CUSMA and is also working toward its implementation.
- The "America First" policy advocated by the current U.S. administration, which portrays international relationships as a zero-sum game, can be damaging to all North American economies.

## **Energy and the Environment**

- Canadian efforts to complete the Line 3 replacement pipeline for oil transmission to the United States are proceeding on schedule. Canada looks forward to the United States' completion of their portion of the project, as it will benefit North American energy security.
- Canada and the United States co-operate closely to prepare for, respond to, and recover from environmental disasters.
- There are a number of mechanisms governing the joint Canada–U.S. management of environmental disasters. These mechanisms range from sharing earthquake data to managing the flow of goods and people across borders in the event of an emergency. One such mechanism – the Canada/United States Reciprocal Forest Fire Fighting Arrangement – has been invoked nearly every year since its implementation in 1982.
- Border security policies and procedures could be reviewed and adapted to allow emergency relief workers to cross the Canada–U.S. border more efficiently.

## **Defence and Security**

- Canada–U.S. cooperation in defence and security continues to be comprehensive and effective, such as within NATO, NORAD, intelligence services, law enforcement and border security.

- NORAD modernization efforts are underway in order to strengthen continental defence against current and future threats.
- Canada has a robust telecom security policy, which will carry into future fifth generation (5G) technology.
- The greatest cyber security threats to Canada and the United States are state-sponsored actors targeting government systems, though non-state transnational organized criminal organizations are also increasingly active in this area. Co-ordinated action between the two nations in this respect is beneficial to both parties.

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

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	U.S. Congressional Meetings
<b>DESTINATION</b>	Washington, D.C., United States
<b>DATES</b>	26-27 February 2019
<b>DELEGATION</b>	
SENATE	Hon. Robert Black, Senator
HOUSE OF COMMONS	Hon. Wayne Easter, C.P., M.P.
STAFF	Mr. Brett Capstick, Advisor
<b>TRANSPORTATION</b>	\$ 5,119.09
<b>ACCOMMODATION</b>	\$ 1,685.94
<b>PER DIEMS</b>	\$ 1,000.84
<b>TOTAL</b>	<b>\$ 7,805.87</b>