

Canada – United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada – États-Unis  
Section canadienne

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## **Report of the Canada–United States Inter-Parliamentary Group**

**Canadian/American Border Trade Alliance Virtual Conference**

**By videoconference**

**From December 6 to 7, 2021**

# Report

## **A. DELEGATION MEMBERS AND STAFF**

From 6–7 December 2021, Senator Michael L. MacDonald, co-chair of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation of eight IPG members – Senators Amina Gerba and Hassan Yussuf, and Members of Parliament Mr. Larry Brock, Mr. Marc Dalton, Mr. Damien Kurek, Ms. Marie-France Lalonde, Mr. Brian Masse, Mr. Simon-Pierre Savard-Tremblay and Mr. Francesco Sorbara – to the Canadian/American Border Trade Alliance’s (Can/Am BTA’s) Fall 2021 Virtual Conference. The association secretary, Mr. David Chandonnet, and association advisor, Ms. Marie Dumont, also attended virtually.

## **B. THE EVENT**

The Can/Am BTA typically holds two meetings each year: a spring meeting in Ottawa and a fall meeting in Washington, D.C. In 2020, both meetings were cancelled due to the COVID-19 pandemic. In Spring 2021, the Can/Am BTA held its first online virtual conference, which was attended by members of the IPG. The co-chairs of the IPG were speakers at that conference.

The Can/Am BTA is a coalition of businesses, public-sector organizations and individuals with an interest in bilateral trade and tourism. Its mission is to maximize commercial activity and ensure the continued growth of cross-border trade, as well as improving border-crossing capabilities.

Attendees at the event included private-sector representatives involved in a number of tourism, transportation and trade-related activities, as well as representatives of a variety of Canadian federal departments and the Canadian Embassy in Washington.

## **C. DELEGATION OBJECTIVES FOR THE EVENT**

The IPG’s Canadian Section has long participated in the Can/Am BTA activities, and members of the Canadian Section typically attend both its fall and spring meetings. Attending the Can/Am BTA meetings provides members of the Canadian Section with an opportunity to gain insight about trade and tourism related challenges being experienced by businesses and individuals, as well as about efforts and actions by governments in both countries to address these challenges.

As well, attendance at Can/Am BTA meetings enable members of the Canadian Section to learn from private- and public-sector organizations and individuals who manage Canada–U.S. border issues daily. It also provides the Canadian Section with an opportunity to inform attendees about the range of actions that it is taking in respect of shared bilateral goals, especially through the invitation that is given to attending IPG delegates to make remarks at the meeting.

In speaking to attendees at the 2021 Fall Virtual Conference, Senator MacDonald spoke about the activities of the Canada–United States Inter-Parliamentary Group since the

Spring Can/Am BTA, including an update about of the Great Lakes – St. Laurence Group, virtual conferences organized by the Western Governor’s Association and the National Council of State Legislatures, as well as a meeting with members of the U.S. Senate Section of the Canada–United States Inter-Parliamentary Group in May 2021. He focused his remarks on three topics that have preoccupied the IPG: the reopening of the border, North American energy security and softwood lumber.

#### **D. 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, Ontario or occasionally in other locations throughout Canada and the United States. During the COVID-19 pandemic, these meetings have occurred virtually. In addition, members liaise with U.S. governors and state legislators at national and regional conferences.

#### **E. THE EVENT**

Sessions throughout the two-day event included the following:

##### **Canada/United States Collaboration, Strengthening Supply Chains, and Innovation**

John Ossowski, President of the Canada Border Services Agency (CBSA), provided an update about the measures that the CBSA has implemented to ensure safe border crossings and technological improvements that were spurred by the COVID-19 pandemic. He specifically mentioned ArriveCan, a mobile application that facilitates border crossings online and noted that efforts are in place to continue to digitize, automate and streamline processes at the border.

##### **Post-Covid Operations: Supply Chain Resiliency**

Jack Ampuja, President & CEO of Supply Chain Optimizers and a professor at Niagara University, discussed supply chain resiliency. Noting that there is a perception that supply chains are “completely broken,” he emphasized that small and medium-sized firms are particularly vulnerable during this time. He predicted that the current challenges for the supply chain would continue until the middle of 2022. He shared thoughts and recent trends that he has observed:

- Consumers have increased their amounts of retail purchases, especially online, causing e-commerce retail firms to struggle to fulfil online orders. In contrast, restaurants are struggling to attract consumers.
- Labour-intensive industries, such as meat processing, are struggling to attract workers.
- In all sectors, freight costs are increasing rapidly.

- Due to U.S. sanctions on China, there would be less reliance on China and countries may want to favour domestic producers, even if there were higher costs.
- Supply chain costs in Canada are higher than in the United States.

### **Customs-Trade Partnership Against Terrorism / Partners in Protection Global Supply Chain Security Certifications – From a global food company perspective**

Paul Zwijack, Director of Global Trade Compliance for Ingredion, a company that transforms ingredients into edible products, discussed the U.S. Customs-Trade Partnership Against Terrorism (CTPAT) and the Canadian Partners in Protection (PIP). These are private-public partnerships that aim to enhance border and trade security. Mr. Zwijack explained that importing firms must implement various requirements prior to being approved to be part of these partnerships. The firms must meet more than 140 criteria and complete three applications to be included in the CTPAT. As well, for the PIP, firms must meet 40 criteria and complete one application. He suggested that there was an opportunity to harmonize these partnerships, which could help to reduce redundancies for firms.

### **Update from Congressional Northern Border Caucus**

The co-chairs of the Congressional Northern Border Caucus, U.S. Congresswoman Elise Stefanik and U.S. Congressman Brian Higgins, provided an update on critical border issues from a U.S. perspective. Brian Higgins pointed out that Canada sells more to the State of New York than to China. Both noted that the border closure for non-essential travel was damaging for the North American economy. Ms. Stefanik emphasized the importance of trade between Canada and the United States and asserted that both countries need to continue to work together to ensure that North American supply chains are resilient and to ensure that more manufacturing is done in North America.

### **Border Carbon Adjustment Policy**

Mark Fisher, President & CEO of the Council of the Great Lakes Region, hosted a panel about border carbon adjustment policy with Catrina Rorke, Vice President of the Climate Leadership Council; Joy Nott, Partner, Trade and Customs at KPMG Canada; and Jennifer Shulman, National Lead Partner Economic Services at KPMG Canada. A border carbon adjustment charges goods for the emissions that they emit in the country where the goods are consumed, rather than where they are produced. When a good is imported, it is taxed based on the emissions it produces. Companies need to determine the carbon intensity of a good, so that a price can be determined. It was mentioned that the implementation of such an adjustment could be beneficial for North American producers as it is likely that, due to higher environmental regulations, goods produced in North America would have a lower environmental footprint than goods produced abroad. That said, it was conceded that the effects of the border trade adjustments are yet to be known. Speakers noted that there is an open consultation with the Canadian government to provide input on this topic.

### **Talent Mobility**

Dan Kolundzic, Vice President North America at Nanos Research; Dan Ujczko, Senior Counsel at Thompson Hine LLP; and David Humphrey, Senior Immigration Officer at the Consulate General of Canada in New York, discussed talent mobility. David Humphrey emphasized Canada's advantage to access global talent as workers can receive access to permanent residency and outlined the various programs from Immigration, Refugees and Citizenship Canada that are available for Canadian employers to access temporary workers. Dan Ujczko recommended that governments initiate incremental changes in border policies through pilot projects, which could help to facilitate travel and tourism in some regions.

### **The Canada–U.S. Relationship: “The Good, the Bad and the Ugly”**

Nik Nanos, Chief Data Scientist at Nanos Research, discussed findings from 17 years of data compiled by his research firm about the perceptions that Canadians and Americans have of each other. He noted that the Canadian opinion of the United States as a trade partner has improved from 2019 to 2021. He also noted the common values shared by Canadians and Americans and the positive opinion that Americans have about Canada. That said, Mr. Nanos warned participants about complacency regarding the Canada–U.S. relationship.

### **An Update from the Canadian Embassy to the United States**

John Layton, Chief, Trade in Services and Investment at the Canadian Embassy to the United States, indicated that even though certain solutions developed in the United States are not meant to target Canada, they end up affecting Canada nonetheless. The Biden administration is looking to implement its build back better legislation, a transformational policy for the United States, as soon as possible. He stressed the negative implications for Canada with the U.S. tax incentive for electric vehicles that is part of this bill. Portions of the tax incentive would only apply to vehicles assembled in the United States with unionized U.S. workers. He warned that this policy would effectively shut Canadian electric vehicles out of the U.S. market. Mr. Layton noted Canada's efforts to remove this provision from the bill.

### **Concluding Remarks**

Garry Douglas, President and CEO of the North Country Chamber of Commerce, gave concluding remarks summarizing the topics discussed over the past two days. He noted the ongoing work of the IPG and reiterated that guests could contact the IPG if they had any issues to discuss.

Respectfully submitted,

Hon. Michael L. MacDonald, Senator Co-Chair Canada–United States Inter-Parliamentary Group	Hon. John McKay, P.C., M.P. Co-Chair Canada–United States Inter-Parliamentary Group
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## **Travel Costs**

<b>ASSOCIATION</b>	Canada–United States Inter-Parliamentary Group
<b>ACTIVITY</b>	Canadian/American Border Trade Alliance Virtual Conference
<b>DESTINATION</b>	By videoconference
<b>DATES</b>	December 6 to 7, 2021
<b>DELEGATION</b>	
SENATE	Hon. Amina Gerba Hon. Michael L. MacDonald Hon. Hassan Yussuf
HOUSE OF COMMONS	Mr. Larry Brock Mr. Marc Dalton Mr. Damien C. Kurek Ms. Marie-France Lalonde Mr. Brian Masse Mr. Simon-Pierre Savard-Tremblay Mr. Francesco Sorbara
STAFF	Mr. David Chandonnet Ms. Marie Dumont
<b>TRANSPORTATION</b>	\$ 0.00
<b>ACCOMMODATION</b>	\$ 0.00
<b>HOSPITALITY</b>	\$ 0.00
<b>PER DIEMS</b>	\$ 0.00
<b>OFFICIAL GIFTS</b>	\$ 0.00
<b>MISCELLANEOUS / REGISTRATION FEES</b>	\$ 722.80
<b>TOTAL</b>	<b>\$ 722.80</b>