

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
27–29 November 2017**

Report

DELEGATION MEMBERS AND STAFF

From 27–29 November 2017, the Honourable Wayne Easter, P.C., M.P., House of Commons 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 the Appendix). The other members of the delegation were four of the Canadian Section’s Vice-Chairs – Senator Paul J. Massicotte, Mr. Gord Brown, M.P., Mr. Brian Masse, M.P., and Mr. Brad Trost, M.P. – and Senator Colin Kenny, Mr. Vance Badawey, M.P., Mr. Colin Carrie, M.P., Ms. Karen Ludwig, M.P., Ms. Tracey Ramsey, M.P. and Mr. Randeep Sarai, M.P. The delegation was accompanied by Ms. Miriam Burke, the Canadian Section’s Executive Secretary, and Ms. June Dewetering, Senior Advisor to the Canadian Section.

Prior to their meetings with U.S. Senators and members of the U.S. House of Representatives, the delegation had a briefing from the staff of Canada’s Ambassador to the United States, David MacNaughton, and a meeting with the Canadian American Business Council. Finally, while in Washington, members of the Canadian Section also had the opportunity to hear an address by Secretary of State Rex Tillerson at the Wilson Center.

THE EVENT AND DELEGATION OBJECTIVES

Meetings on Capitol Hill enable members of the IPG’s Canadian Section to speak with U.S. federal legislators – particularly those who do not attend the IPG’s annual meeting and/or those who have recently been elected to Congress – and thereby to inform them about, and gain their support on, critical issues affecting Canada and the United States.

During their November 2017 meetings with U.S. Senators and members of the U.S. House of Representatives, Canadian parliamentarians focused on a range of trade issues, including the current *North American Free Trade Agreement* (NAFTA) negotiations. 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 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

- The Canada–U.S. IPG was formed in 1959 with 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 legislators on shared issues of concern.
- In pursuing their objectives, members of the Canadian Section participate in meetings with their Congressional counterparts in Ottawa or in Washington, D.C., and occasionally in other locations in Canada or the United States.
- In addition, the Canadian Section’s members attend conferences that are attended by U.S. governors and state legislators.

General Comments about Canada–U.S. Trade

- Canada is the United States’ largest customer.
- Trade, including in agricultural products, is important to both Canada and the United States.
- Canada and the United States add value to each other’s products through integrated supply chains.
- The United States’ imposition of anti-dumping and countervailing duties on Canadian exports of 100- to 150-seat large civil aircraft and certain softwood lumber products are causing difficulty in the bilateral relationship.
- The United States’ mandatory country-of-origin labelling requirements had a negative impact on integrated supply chains in the livestock sectors in Canada and the United States.
- At present, the United States has a trade surplus with Canada, including in dairy products.
- Regarding dairy products, Canada’s market is more open than is that of the United States.

Negotiating Changes to the *North American Free Trade Agreement*

- The current NAFTA negotiations are an opportunity for Canada, the United States and Mexico to work together in improving NAFTA for the benefit of all three countries; the focus should be a win-win-win agreement.
- Modernization efforts regarding NAFTA should be focused on labour, the environment and digital trade, among other areas; a modernized NAFTA would lead North America to be more competitive with the rest of the world.
- During the NAFTA negotiations, it is important to “do no harm.”

- Supply-management systems are a part of “Canada’s DNA.”
- Regarding NAFTA, American automakers are aligned with Canada and Mexico, rather than with the U.S. Administration.
- Chapter 19 of NAFTA is critically important for Canada.
- In some respects, positions are “hardening” in Canada as the NAFTA negotiations are continuing, partially because of the United States’ introduction of proposals that might be characterized as “poison pills,” including in relation to Chapter 19 and “Buy American” provisions in U.S. legislation.
- With uncertainty about the outcome of the NAFTA negotiations, investments are beginning to be made outside of North America, and other negative impacts are also occurring.
- If NAFTA “fails”, a number of U.S. states and their residents will be harmed; for example, tariffs will be applied, jobs will be lost, and businesses and consumers will experience higher prices if North American supply chains are disrupted.

Other Trade and Non-Trade Issues

- Canada trades fairly, feels that trade agreements should be enforced, and believes that countries should trade on a “level playing field” while respecting the provisions in trade agreements that they have signed.
- Canadians and Americans share a variety of relationships; they are families, friends, business partners and co-workers, among others.
- Because security is a shared priority, Canada wants to be a good partner with the United States on security issues; an economic partnership would be helpful to the security partnership.
- Like the United States, Canada is affected by global steel overcapacity.
- Canada and the United States share, and have a shared responsibility for, such resources as water and air.

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

General Comments about U.S.–Canada Trade and the Bilateral Relationship

- Canada is a significant trading partner for the United States, and the two countries should establish closer trade and other ties, as well as ensure that they do not take each other for granted.

- Many members of the U.S. Congress are committed to doing what they can to maintain the United States' relationship with Canada.
- In a number of ways, the United States has not treated Canada well on trade issues; consider, for example, bovine spongiform encephalopathy, mandatory country-of-origin labelling requirements, steel, softwood lumber and the Keystone XL pipeline.
- While the United States has no better trading partner than Canada, the bilateral trade must be fair.
- It is “bothersome” for the United States to have ongoing trade deficits.
- Often, Canada is the “last country to join the trade negotiations table”; for example, the country was late in joining the Trans-Pacific Partnership negotiations.
- On trade issues, Canada's provinces are more powerful than are the U.S. states.

Negotiating Changes to the *North American Free Trade Agreement*

- The world has changed dramatically since NAFTA was implemented in 1994, and any 23-year-old agreement will have scope for improvement.
- Some members of the U.S. Congress see the NAFTA negotiations as an opportunity to make improvements in such areas as labour, the environment and human rights.
- A number of Americans, including some members of the U.S. Congress, believe that NAFTA needs significant changes in a number of areas, including U.S. access to Canada's wine market, Canada's grading of U.S. wheat, and Canada's supply-management system for dairy products, which is viewed as antiquated and unfair regarding diafiltered milk.
- NAFTA has benefitted all three signatory countries, and the current negotiations provide an opportunity to strengthen the agreement, ensure that it continues to be mutually beneficial, and incorporate adequate provisions regarding intellectual property and digital trade, among other issues.
- The facts should be used to “make the case” for NAFTA, and efforts should be directed at quantifying the investment and business decision “chill,” and other negative impacts, that exist because of uncertainty about the future of NAFTA.
- It is important to send “dependable” signals about the future of NAFTA, and to do so now; that said, if the United States begins the process to withdraw from NAFTA, the parties must have contingency plans “at the ready.”

- As changes to NAFTA are being negotiated, a focus should be to “do no harm”; that said, it is possible to make changes whereby all countries would “win.”
- Canada and Mexico share similar concerns regarding the United States’ NAFTA negotiating positions.
- Automobiles are a key part of the “NAFTA conversation.”
- Without NAFTA, the United States’ agricultural sector is “in trouble”; for that sector, trade – and the stability of that trade – are critical.
- If President Trump were to begin the process to withdraw the United States from NAFTA, “shivers” would be sent and integrated supply chains would be disrupted.
- Terminating NAFTA would have “lasting effects,” and the real impacts – including on the stock market – that would result from the United States’ withdrawal from NAFTA need to be communicated.
- According to some observers, NAFTA has led to a loss in manufacturing jobs in the United States; for the most part, those jobs have relocated to Mexico.
- In the view of some members of the U.S. Congress and of some Americans, Canada is “collateral damage” because Canada has not harmed the United States; the real problems are with Mexico.

Other Trade and Non-Trade Issues

- The United States and Canada should work together in resolving issues relating to the *Columbia River Treaty*, the *Pacific Salmon Treaty* and bilateral trade in softwood lumber.
- The current situation regarding U.S.–Canada trade in softwood lumber has implications for housing in the United States.
- A number of U.S. Secretaries are “free trade supporters”; moreover, within the U.S. Congress, there are Republicans and Democrats who support trade, including NAFTA.
- Trade was a key part of President Trump’s presidential campaign.
- Trade should be “stable, effective and current,” and trade agreements should be enforced.
- Because the world is always changing, trade agreements should be reviewed and updated periodically to ensure that they continue to “work” for all signatories; as well, a periodic “refresh” provides an opportunity to address concerns.

- If trade is “done right,” it is goods – and not jobs – that are exported; not all job losses are the result of international trade, and the roles played by mechanization and by immigration must be recognized.
- The nature of work is changing because of technology, and the public should become aware of the need to engage competitively in the global marketplace.
- It is probable that, at some point, the United States will once again seek to be a member of the Trans-Pacific Partnership.
- Not all Americans saw the Trans-Pacific Partnership agreement that was concluded prior to the United States’ withdrawal as a “NAFTA update.”
- U.S.–Canada energy trade is both significant and important.
- Many Americans do not see Canada as a foreign land.
- In some states along the U.S.–Canada border, families farm in both countries.
- When the United States and Canada disagree, it is important to determine whether the disagreement is factual or political.
- It is important to maintain the North American alliance.
- The United States is being harmed by global overcapacity regarding steel.
- Canada does a great deal to support the United States, especially militarily.
- Compromises must be made in relationships in order to get something that is desired, along with a mechanism to resolve disputes.

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 DELEGATION MET

U.S. Senate:

John N. Boozman

Michael D. Crapo

Dianne Feinstein

Heidi Heitkamp

Ron Johnson

Amy Klobuchar

Pat Roberts

Mike Rounds

Roger F. Wicker

U.S. House of Representatives:

Donald Bacon

Andy Barr

Joe Barton

Ami Bera

Jack Bergman

Andy Biggs

Suzanne Bonamici

Larry Bucshon

Theodore Budd

Joaquin Castro

Paul Cook

James Cooper

Jim Costa

Kevin Cramer

Henry Cuellar

Rodney Davis

Peter A. DeFazio
Suzan DelBene
Tom Emmer
Adriano Espaillat
Dwight Evans
Bill Flores
Mike Gallagher
Jody Hice
Brian Higgins
George Holding
Trey Hollingsworth
Henry C. Johnson
Steven A. King
Adam Kinzinger
Raja Krishnamoorthi
Sander M. Levin
Markwayne Mullin
Richard Nolan
Ralph Norman
Jimmy Panetta
Scott Peters
David E. Price
Jamie B. Raskin
Martha Roby
Linda T. Sanchez
John P. Sarbanes
Kurt Schrader
Terri Sewell
Glenn Thompson
Dina Titus
Paul Tonko
Bonnie Watson Coleman
Steve Womack

Don Young

Travel Costs

ASSOCIATION	Canada–United States Inter-Parliamentary Group
ACTIVITY	U.S. Congressional Meetings
DESTINATION	Washington, D.C., United States of America
DATES	27–29 November 2017
DELEGATION	
SENATE	Hon. Colin Kenny, Senator Hon. Paul J. Massicotte, Senator Hon. Wayne Easter, P.C., M.P. Mr. Vance Badawey, M.P. Mr. Gord Brown, M.P. Mr. Colin Carrie, M.P.
HOUSE OF COMMONS	Ms. Karen Ludwig, M.P. Mr. Brian Masse, M.P. Ms. Tracey Ramsey, M.P. Mr. Randeep Sarai, M.P. Mr. Brad Trost, M.P.
STAFF	Ms. Miriam Burke, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 20,022.75
ACCOMMODATION	\$ 7,770.77
HOSPITALITY	\$ 535.00
PER DIEMS	\$ 4,368.86
TOTAL	\$ 32,697.38