

Canada – United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada – États-Unis
Section canadienne

Report of the Canada–United States Inter-Parliamentary Group

Congressional Visit

Washington, D.C., United States of America

September 12-15, 2022

REPORT

A. DELEGATION MEMBERS AND STAFF

From 12 to 15 September 2022, the Honourable Senator Michael MacDonald and the Honourable John McKay, PC, MP, 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 the Honourable Senator Pierre Dalphond and Members of Parliament Fayçal El-Khoury, Stephen Ellis, Damien Kurek and Simon-Pierre Savard-Tremblay. The delegation was accompanied by David Chandonnet, Association Secretary, and Marie Dumont and Sarah Lemelin-Bellerose, advisors to the IPG’s Canadian Section.

B. VISIT AND DELEGATION OBJECTIVES VISIT AND DELEGATION OBJECTIVES

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

During the meetings on Capitol Hill in September 2022, the Canadian delegates raised several issues concerning Canada–United States relations, including border management and cooperation on resource and energy issues. The following summary outlines the other topics that were discussed. Since the Canadian Section’s meetings with U.S. federal legislators are designed to be private and not for attribution, this report provides a high-level overview of the issues raised by Canadian and American legislators.

Before meeting with senators and members of the House of Representatives at the U.S. Congress, members of the delegation met with Kirsten Hillman, Canada’s Ambassador to the United States, and representatives from the Embassy of Canada to the United States, to discuss topics of concern to both countries. Members of the delegation also held a bilateral meeting with members of the U.S. Section of the IPG, namely, representatives Brian Higgins, Bill Huizenga and Joe Morelle. During their stay in Washington, they also had the opportunity to participate in a round table with journalists working in Washington and to visit the Wilson Center to speak with Christopher Sands, Director of the Canada Institute.

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

Established almost six decades ago, 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., or Ottawa and occasionally elsewhere in Canada or the U.S. In addition, they liaise with U.S. governors and state legislators at national and regional conferences throughout the U.S. and, sometimes, in Canada.

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

1. Canada–United States border crossing

- The COVID-19 pandemic challenged views on what a border should be. There is a lot of frustration with the Canada–U.S. border crossing. Both Canada and the U.S. are responsible for the problems behind this frustration. Both countries must cooperate further and harmonize policies on border issues. This harmonization is important because the economy does not react well to uncertainty and uncertainty discourages people from crossing the border.
- For reasons of efficiency, the border should also be as “voluntarily digital” as possible.
- Several factors have hardened the U.S.’s view of what a border should be and have complicated the “thinning” of the Canada–U.S. border, including the situation at its southern border and the increased cross-border trafficking of drugs such as fentanyl.

2. Trade and investment

- It is difficult to assess how the new Canada–United States–Mexico free trade agreement works in normal times, as the COVID-19 pandemic disrupted the usual trade environment after the new agreement was implemented.
- Regulation of the lobster industry is perceived as being unequal between Canadian and U.S. fishermen. Harmonizing regulations would level the playing field. Harmonizing regulations is more important than resolving the dispute over the “Gray Zone.”
- The war in Ukraine reinforces the importance of trade among allies and the relocation of certain industries.
- Softwood lumber remains a major issue. The Americans’ position on this issue depends on where they live. For example, softwood lumber is shipped from Maine to Canada for processing before being shipped back to Maine. As in Canada, the industry in this state has been penalized by the dispute. Tariffs on Canadian softwood lumber increase the cost of new construction in the U.S. Although the positive impact that a new softwood lumber agreement could potentially have on predictability in this industry was mentioned, interest in a negotiated outcome was not unanimous. Improved forestry management in both countries was also identified as a solution for resolving the dispute and addressing the increased cost of softwood lumber.

3. Energy and the environment

- Canada is viewed as a top-tier partner as regards compliance with environmental standards for oil.
- Recent events in the U.S. have revealed shortcomings in the electrical grid during major peaks in electricity consumption. The delegates heard that these shortcomings demonstrate the need for fossil fuels in the medium to long term in order to run gasoline-powered cars, for example.
- Canada and the U.S. have sufficient resources to help Europe with its energy-related challenges during the winter of 2022–2023.

- A North American approach for critical minerals should be adopted. Canada and the U.S. must cooperate and establish how they can mutually benefit from an economic partnership in critical minerals. For example, Canada has the advantage of having many critical minerals, while the U.S. can offer a major market that is vital to Canada's automobile industry, which could see growth by manufacturing zero-emission vehicles with the country's critical minerals.
- Some members of the U.S. Congress were disappointed that the Keystone XL pipeline would not be built.
- Canada is a leader in the area of small modular nuclear reactors. Canada's initiative could help advance the U.S. program.

4. Defence

- The U.S. congratulated Canada on being the first country to ratify the applications for NATO membership from Sweden and Finland. The war in Ukraine has drastically changed the situation. NATO will gain competent partners by welcoming both countries.
- Canada should increase its military spending to achieve the NATO target for defence spending, i.e., the equivalent of 2% of its gross domestic product.
- The extent of U.S. support for Taiwan was reiterated.
- A great deal of knowledge and technology transfer takes place between the defence sectors in Canada and the U.S. The sharing of military intelligence between the two countries is very important. The U.S. would also like Canada's military leaders to train in the U.S. and thereby develop strong military relations.
- The importance of continuing to build Boeing F-18 fighter jets for at least another decade was mentioned. That way, parts will continue to be available for future repairs while the next generation of fighter jets is being deployed.
- The Americans were pleased that the Canadians had resumed discussions for the purchase of Lockheed Martin F-35 fighter jets. These jets will facilitate interoperability, training and interactions between the American and Canadian armed forces and with NATO allies.
- A strategy should be developed to prioritize the purchase of military equipment in North America or from American allies.

5. Other topics of interest

- National security interests require paying attention to what is happening with cryptocurrency. Cryptocurrency should be subject to certain minimum regulatory requirements.
- The 1% tax on underused housing owned by non-residents of Canada has had unintended consequences for certain Americans who own property in Canada.
- The mid-term elections in the U.S. will take place in November 2022. Abortion rights and inflation are major issues in these elections, particularly in key states.
- The Americans are grateful that Canada is supporting their bid to host Expo 2027 in Minnesota, with the theme of "Healthy People, Healthy Planet."

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

1. Canada–United States border crossing

- The rules for crossing the border should be harmonized, particularly for people who live near the border and cross it regularly. For example, some individuals own properties on both sides of the border and could not visit their properties during the COVID-19 pandemic because of the border rules. If efforts are not made to facilitate border crossings, people will stop crossing the border and engaging in economic activity in both countries. The digitization of border crossing activities would also serve to speed up these activities.
- The requirement to use the ArriveCan mobile app to enter Canada is an irritant for many on both sides of the border (the ArriveCan app has no longer been mandatory since 1 October 2022). Canada is working on converting it to a voluntary digital service that would facilitate the travel experience of those who choose to use it while eliminating the burden for those who prefer not to use it. Mandatory use of the ArriveCan mobile app to enter Canada had an adverse effect not only on communities located along the border but also on those that depend on American tourism.
- The U.S. does not want to send its agents back to Canada to conduct NEXUS interviews; it wants them to have the same exemption as agents working at border offices. Canada and the U.S. must continue to cooperate in order to resume eligibility interviews for the NEXUS program in Canada so that Canadians can benefit from this program, which facilitates travel for members, who are all trusted and pre-screened travellers.

2. Trade and investment

- It is important to take a buy-North American approach, not just a buy-American approach.
- There is untapped potential in the *Canada–United States–Mexico Agreement*. The Americans need to have a North American mindset, not just an American mindset, as they cannot succeed alone. For example, Canada has more than half the minerals that many countries consider critical, including the U.S. and Australia. Cooperation between Canada and the U.S. on critical minerals would help to reduce dependence on China.

3. Energy and the environment

- Energy security should be considered from a North American standpoint, not just an American or Canadian perspective. Russia's invasion of Ukraine revealed an increased need for energy in North America. Canada is prepared to contribute to improving energy security on the continent and beyond.
- Canada is a reliable and stable partner for establishing energy-related partnerships.
- Political issues surrounding Enbridge line 5 pose a challenge for both Canada and the United States, which depend on line 5 to transport energy. Canada is grateful for the support for continued use of this pipeline.

4. Defence

- Canada and NATO would gain key allies by ratifying the applications for NATO membership from Sweden and Finland. Having more allies within the organization helps share the burden.
- Canada has trained 33,000 combatants in Ukraine.
- Finding ways to cooperate for the benefit of both countries is important. For example, Canada and the U.S. could work together to protect the North. They could also strengthen relations through the North American Aerospace Defense Command (NORAD) partnership.
- Canada has long looked to its Atlantic neighbours for its defence partnerships, but now it will also have to consider partnerships with nations on its Pacific side.

5. Other topics of interest

- A regulatory environment to manage cryptocurrency should be established.

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

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Congressional Visit
DESTINATION	Washington, D.C.
DATES	September 12 to 15, 2022
DELEGATION	
SENATE	Hon. Pierre Dalphond Hon. Michael MacDonald
HOUSE OF COMMONS	Mr. Fayçal El-Khoury Mr. Stephen Ellis Mr. Damien Kurek Hon. John McKay Mr. Simon-Pierre Savard-Tremblay
STAFF	Mr. David Chandonnet Ms. Marie Dumont Ms. Sarah Lemelin-Bellerose
TRANSPORTATION	\$15,727.47
ACCOMMODATION	\$21,467.53
HOSPITALITY	\$1,565.59
PER DIEMS	\$4,701.14
OFFICIAL GIFTS	\$0.00
MISCELLANEOUS / REGISTRATION FEES	\$77.05
TOTAL	\$43,538.78