

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
February 28-29, 2012**

Report

DELEGATION MEMBERS AND STAFF

From February 28-29, 2012, Senator Janis Johnson, Co-Chair, and Mr. Gord Brown, M.P., Co-Chair, of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) led a delegation that met with selected members of the U.S. Senate and House of Representatives, as well as their staff. These meetings were held following the Canadian Section's attendance at the winter meeting of the National Governors Association (NGA) in Washington, D.C. Other members of the delegation were Senator Wilfred Moore, Q.C., the Honourable Wayne Easter, P.C., M.P., Vice-Chair, Mr. Mark Adler, M.P., Mr. John Carmichael, M.P., Vice-Chair, Mr. Brian Masse, M.P., Vice-Chair, and Mr. Mathieu Ravnat, M.P., Vice-Chair. The delegation was accompanied by Ms. Angela Crandall, the Canadian Section's Executive Secretary, and Ms. June Dewetering, Senior Advisor to the Canadian Section.

THE EVENT AND DELEGATION OBJECTIVES

During their meetings with U.S. Senators and members of the House of Representatives, Canadian delegates focused on a range of issues that are thought to be important to the Canada-U.S. relationship, including the United States' economic recovery, the American approach to competitiveness, management of the shared border and North American energy security. The meetings were similar in intent to previous U.S. Congressional meetings in respect of such issues as bovine spongiform encephalopathy, trade in softwood lumber, "Buy American" provisions, energy and border issues, including the Western Hemisphere Travel Initiative.

Congressional meetings enable members of the Canadian Section to meet with U.S. federal legislators, particularly those who do not attend the IPG's annual meeting, and thereby to inform them about – and gain their support on – critical issues affecting both countries. More generally, members of the Canadian Section believe that Congressional meetings are an invaluable opportunity to share Canadian views about bilateral issues of common concern, and they intend to undertake such meetings in the future as the need arises.

Since the meetings with U.S. federal legislators are designed to be "off the record," the discussion 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

SCOPE AND NATURE OF THE BILATERAL RELATIONSHIP

- Canada and the United States have the largest bilateral trade relationship in the world, and the nations and their inhabitants are important to each other for reasons beyond trade.
- At present, 35 U.S. states have Canada as their primary foreign export destination.
- An estimated 8 million U.S. jobs depend on trade with Canada, and an estimated 2.5 million Canadian jobs depend on trade with the United States.
- In 2011, Canada-U.S. trade was valued at more than \$700 billion, which is equivalent to more than \$1.9 billion each day or \$1.3 million each minute.
- The Canadian economy is strong when the U.S. economy is strong, and the countries need to move forward together.
- The prosperity of both Canada and the United States depends on a seamless, yet secure, common border.

TRADE AND THE SHARED CANADA-U.S. BORDER

- Following the September 11, 2001 terrorist attacks, security “trumped” trade, which resulted in delays at the shared Canada-U.S. border, reduced competitiveness and harm for both countries; it is now a decade later, and it is time to re-evaluate the situation.
- In February 2011, Prime Minister Harper and President Obama announced the perimeter security and economic competitiveness agenda; in December 2011, the Beyond the Border Action Plan was released, as was the Regulatory Cooperation Council Action Plan.
- Trusted trade and traveller programs, such as NEXUS, should be expanded in order to expedite the movement of goods and people across the shared border.
- Cross-border tourism falls when more documents are required in order to cross the border.
- Actions that are taken and policies that are implemented should not impede the movement of people or goods at the shared border

- Efforts should be directed to “thinning,” rather than “thickening,” the border; the border has been “thickening” since the September 2001 terrorist attacks and, instead, it should be seamless and transparent.
- With companies operating in both countries and integrated supply chains, some goods – such as cars – cross the border many times before they are sold to the consumer.
- Manufacturing is critical to the Canadian and U.S. economies, as is market access to enable increased trade.
- Greater capacity is needed at the shared border, including at the Detroit-Windsor crossing.
- In Canada, a great deal is being spent on border infrastructure.
- The bilateral relationship is being harmed by the \$5.50 fee that some people face when entering the United States.
- Protectionism benefits no one, and the United States must be prosperous in order for Canada to be prosperous.
- When considering border “solutions,” Canada becomes “collateral damage” when the U.S.-Mexico relationship is the focus.
- “One-size-fits-all” border solutions do not work.
- Pre-clearance facilities are beneficial for both countries.

“BUY AMERICAN” PROVISIONS IN U.S. LEGISLATION

- The “Buy American” provisions in some U.S. legislation are a barrier to trade between Canada and the United States.
- With “Buy American” provisions, Canada is collateral damage; the “target” may instead be China.
- While “Buy American” provisions made be “good politics,” these provisions harm businesses.

REGULATORY COOPERATION

- In February 2011, Prime Minister Harper and President Obama announced the Regulatory Cooperation Council, in respect of which an action plan was released in December 2011.
- A reduction in red tape leads to more efficient and timely flows of goods.

- Unnecessary regulations, including regarding the inspection of manufactured goods, increase costs and “thicken” the shared border.
- Inspections should occur once, and approval in one country should mean approval in the other country.
- Canada and the United States should cooperate regarding regulations in order to eliminate the “tyranny of small differences.”

COUNTRY-OF-ORIGIN LABELLING

- Canada believes that the United States is likely to appeal the November 2011 decision by a World Trade Organization dispute-settlement panel regarding country-of-origin labelling; the ruling in favour of Canada is likely to be upheld.

TAX AND OTHER FINANCIAL ISSUES

- U.S. taxation of Canada-U.S. dual citizens and U.S. citizens who are Canadian residents is causing some anxiety.
- Canada has made it more difficult to qualify for a home mortgage and did not experience a real estate “meltdown.”

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

TRADE AND ECONOMIC PROSPERITY

- Bilateral trade is important for both countries.
- Canada is the United States’ primary export market, as well as the United States’ closest ally and wonderful friend.
- In economic times such as these, it is hard to convince people that trade is good.
- The Canadian and American economies are intertwined.
- The *North American Free Trade Agreement* has been beneficial for the United States, Canada and Mexico.
- The United States and Canada need to keep working at breaking down barriers; there is no reason for them to exist, and they increase the price that must be paid by consumers.

- Trade should

“BUY AMERICAN” PROVISIONS IN AMERICAN LEGISLATION

- The “Buy American” provisions that are in some U.S. statutes are not always directed toward Canada.
- “Buy American” provisions are a political “lever.”
- Canada is “collateral damage” when “Buy American” provisions are enacted.
- Protectionism, whether it arises through trade barriers or “Buy American” provisions, is “unproductive”; as well, it leads to higher costs, which is self-defeating.
- The focus should become “Buy North American.”

COUNTRY-OF-ORIGIN LABELLING

- The United States’ country-of-origin labelling requirements “fly in the face of” the economy in which we live, and R-CALF’s position is not rational.

ENERGY

- The Keystone XL pipeline is important to the United States, including for reasons of energy security.
- The Keystone XL pipeline is likely to be built after the 2012 election, regardless of the electoral outcome.
- Many in the U.S. Congress believe that the Keystone XL pipeline is in the interest of both the United States and Canada.
- Each day, 3 100-tank trains leave North Dakota to move energy to the Gulf coast.
- A strong hemispheric relationship is needed regarding energy, as well as trade.
- Canada should not build a pipeline to the West coast in order to export oil to China.

INTELLECTUAL PROPERTY RIGHTS

- It is important that Canada amend its legislation to ensure adequate intellectual property rights.
- Intellectual property protection is required, as a great deal of money is spent as products are invented.

SECURITY

- Homeland security is important, and “bad actors” cross the border travelling in each direction.
- The Canada Border Services Agency, the Canadian Security Intelligence Service and – in particular – the Royal Canadian Mounted Police cooperate well with their U.S. counterparts, including in respect of exchanging intelligence and information.
- There is more of a “radical” population in Canada than there is in the United States, but Canada has great security.
- The United States will always “drift” to the “security side,” in part because of such factors as American culture and a lack of knowledge about the shared border.
- Biometric identification measures assist with security; they also assist in the sharing of data in relation to health care, thereby resulting in advances in health care.

SHARED BORDER

- Both countries should take actions to facilitate trade, and the common border must not be a barrier to trade.
- If it takes too much time to cross the shared border, people will cross less often, if at all.
- The Detroit-Windsor crossing has become a “litmus test” for conservatives; a variety of people are opposed.
- The “fight” over the Detroit-Windsor bridge may continue for a long time, as it has been ongoing for a long time; a resolution may not be imminent.
- The \$5.50 fee imposed on some entering the United States is an offset that “pays for” free trade agreements; when legislating, it is not possible to anticipate unintended consequences.
- A “one-size-fits-all” approach, whereby the U.S.-Canada relationship and the U.S.-Mexico relationship are seen to be the same, is harmful.
- The United States’ borders with other countries should be seamless, especially its border with Canada.
- While discussions about “building walls” “sell well” politically, such an approach does not work economically.

HEALTH CARE AND PRESCRIPTION DRUGS

- Some Americans continue to purchase prescription drugs from Canada.

GREAT LAKES

- The Great Lakes should be a great asset that is shared by the United States and Canada.
- The Great Lakes region should become a major port.

FINANCIAL ISSUES

- Canada is a great country, and there is much that the United States could learn from Canada, including in respect of the regulation of financial institutions; a strong financial sector is needed in order to have a strong economy, and the United States' banks had incentives that led them to undertake risky behaviour.

Respectfully submitted,

Hon. Janis G. Johnson, Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Appendix

MEMBERS OF THE U.S. CONGRESS AND THEIR STAFF WITH WHOM THE CANADIAN SECTION OF THE INTER-PARLIAMENTARY GROUP MET

Senators:

Senator Ayotte
Senator Begich
Senator Coburn
Senator Crapo
Senator Isakson
Senator Lee
Senator Murkowski
Senator Webb

Representatives:

Representative Adams
Representative Atlmire
Representative Bass
Representative Benishek
Representative Bilbray
Representative Bilirakis
Representative Boehner (Speaker of the House of Representatives)
Representative Connolly
Representative Crawford
Representative Culberson
Representative Davis
Representative Duffy
Representative Gingrey
Representative Hanna
Representative Hasting
Representative Higgins
Representative Huizenga
Representative King
Representative Lance

Representative Larsen
Representative Lee
Representative McDermott
Representative Miller
Representative Neal
Representative Owens
Representative Peters
Representative Rahall
Representative Renacci
Representative Rivera
Representative Roe
Representative Scott
Representative Sensenbrenner
Representative Shimkus
Representative Speier
Representative Stearns
Representative Welch
Representative Wilson

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	U.S. Congressional Meetings
DESTINATION	Washington, D.C., United States of America
DATES	February 28-29, 2012
DELEGATION	
SENATE	Hon. Janis G. Johnson, Senator, Co-Chair Hon. Wilfred P. Moore, Q.C., Senator
HOUSE OF COMMONS	Mr. Gord Brown, M.P. Co-Chair Hon. Wayne Easter, P.C., M.P., Vice-Chair Mr. John Carmichael, M.P., Vice-Chair Mr. Brian Masse, M.P., Vice-Chair Mr. Mathieu Ravignat, M.P., Vice-Chair Mr. Mark Adler, M.P.
STAFF	Ms. Angela Crandall, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$1,578.67
ACCOMMODATION	\$9,128.49
HOSPITALITY	\$316.90
PER DIEMS	\$2,216.65
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$Ø
TOTAL	\$13,240.71