



Canadian
Chamber of
Commerce

Chambre de
Commerce
du Canada

The Voice of Canadian Business™
Le porte-parole des entreprises canadiennes^{MD}

RESOLUTIONS

2019 PROPOSED POLICY RESOLUTIONS

AGM & Convention
September 21-23 | Saint John, NB



Please note that the Proposed Policy Resolutions Book will not be distributed on site at the AGM and Convention. You must bring your copy with you to Saint John for reference.

Proposed Resolutions

2019 ANNUAL GENERAL MEETING

This booklet contains policy resolutions that will be discussed at the Annual General Meeting (AGM) of the Canadian Chamber of Commerce on September 22-23 in Saint John, New Brunswick. They were developed by our affiliated community chambers of commerce and boards of trade and by the national and international policy committees of the Canadian Chamber of Commerce.

By this year's June 3 deadline, 87 resolutions had been received. Prior to their acceptance for debate at the AGM, the proposals were screened by the Policy Resolution Screening Committee, comprised of representatives from chambers of commerce and the board of directors.

The Policy Resolution Screening Committee is mandated to ensure that all resolutions presented on the floor for discussion by delegates to the annual policy conference are: relevant to Canadian business and within federal jurisdiction and of national significance; current, timely and requiring action; complete, detailed and supported by factual information; and do not align one sector, industry or region of Canada against another. Following consultations and review through this policy screening review process, and the collaboration of some committee/chambers to merge their similar resolutions, there are now 76 resolutions included in this booklet for debate at the AGM.

It is important to note that the proposed resolutions are for debate only. During the policy session at the AGM, resolutions will be discussed and debated with accredited voting delegates being asked to **approve, defeat or refer the resolution to the Board of Directors for further study.**

Policy resolutions do not become official positions of the Canadian Chamber of Commerce unless, and until, they have been approved by a two-thirds vote of the delegates at the AGM after which the resolutions will become part of the Canadian Chamber's advocacy program for the next three years.

In addition to policies approved at the AGM, the Canadian Chamber responds to issues as they develop and the Board of Directors may approve other policies during the course of the year.

The resolutions contained in this book are also available on the CCC website at www.chamber.ca. To expedite policy discussions at the AGM, please forward any proposed amendment(s) by **September 13, 2019** to:

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Once on site at the AGM, please bring any proposed amendment(s) to the recommendations to the Policy Office in room Spencer 3 at the Hilton Saint John.

The Canadian Chamber continues to take steps to hold a "green" AGM and limit the use of paper. As part of this initiative, the Chamber **will not be printing hard copies of the proposed resolution books for delegates and chambers.**

The book is on our web site www.chamber.ca where it can be consulted and downloaded or printed. Please ensure that you arrive at the AGM with all you will need for the policy debate, as **no hard copies will be available on site.** We thank you for your understanding and support in this regard.

PROCEDURES TO BE FOLLOWED DURING THE POLICY DEBATE

Delegates will be provided with electronic “clickers” to cast their votes. Each delegate will be issued a clicker when they register. If a delegate is holding a proxy, a clicker will be issued for that vote as well.

Prior to debating the 2019 proposed resolutions, a motion will be presented to place the entire policy book on the floor (this prevents the need for a motion to adopt each resolution as it comes up). Another motion will be presented to limit discussion to the title and recommendations only. (i.e. There will be no discussion of, or changes to, the preamble from the floor at the AGM.) Should there be a substantive or factual error in the preamble, please send the recommended change to the Canadian Chamber of Commerce (rderry@chamber.ca) no later than September 13, 2019. Canadian Chamber staff have the authority and the responsibility to modify the preamble based on the input received and to ensure it is accurate and aligned with the recommendations.

Resolution debate:

1. The discussion of each resolution will open with the moderator naming the resolution. The representative of the sponsoring group (submitting chamber/board of trade or policy committee), is entitled to make a brief comment (approximately one minute) to amplify or clarify their resolution. The sponsor's representative should be waiting at one of the microphones and immediately get the attention of the moderator. If the relevant CCC policy committee *disagrees* with the proposed resolution, the committee representative will be offered an opportunity to comment briefly before the resolution is opened for discussion by all delegates.
2. Everyone is allowed to participate in the debate (discussion), but only accredited voting delegates have the right to move or second motions, amendments or other motions or to vote.
3. When participating in the debate, attendees must always use the microphones located in the aisles. This not only helps to maintain order, but is also for the benefit of others who want to hear what you are saying.
4. When at the microphone, wait to be recognized by the moderator and then identify yourself and your organization before you begin your remarks.
5. Due to limited time for policy debates, we encourage all delegates to keep their commentary concise.
6. You are responsible to make your voting decisions in accordance with your beliefs about what is in the best interests of the Canadian Chamber of Commerce policy platform. Delegates have three possible courses of action for each resolution:
 - a. **To adopt it** - with or without amendments - thus making it official Canadian Chamber policy.
 - b. **To defeat it**; or
 - c. **To refer it to the Board of Directors for further study**. While this third option precludes the item from becoming official policy at the time of the AGM, it does permit the board to act upon it.

7. Once you have voted, a green light on the clicker will confirm that your vote has been received. The clicker will also display each vote as cast, showing the number of votes for and against, as well as how many votes were cast and what number is required for a two-thirds pass.
8. While the policy debate is governed by *Robert's Rules of Order* (newly revised), it is the Canadian Chamber's policy to require two-thirds of the votes to pass any motion or amendment.

Proposed Resolutions

Finance and Taxation	1
1. Addressing Barriers to Succession Planning By Leveling the Tax Playing Field to Allow For More Family Run Businesses to Stay in a Family	1
2. Applying Accelerated Capital Cost Allowance Fairly to All Economic Sectors	3
3. Creating a Sandbox for Fintech Innovation	4
4. Creation of an External Independent Task Force to Review Tax System if a Government-Led Review is Not Possible	6
5. Credit Card Merchant Fees	8
6. Eliminating or Reducing Capital Taxes on Financial Institutions.....	11
7. Ensuring Cryptocurrency Miners Are Not Financial Services for HST/GST Purposes	12
8. Exempt Spouses from Tax on Split Income	15
9. Flow Through Shares for Innovation Companies.....	17
10. Getting More Rental Housing onto the Market - Now.....	18
11. Increase the GST/HST Filing Threshold	21
12. Investing in Building Community.....	22
13. Removing Excise Tax and GST on Medicinal Cannabis	24
14. Restore the Integration of the Corporate and Personal Income Tax System	26
15. Support of a Federal Excise Tax Review for Alcohol and Eliminate the Automatic Escalator (2019)	29
16. Taxation of the Digital Economy	32
17. The Impact of the Mortgage Stress Test on Local Economies	34
Agriculture.....	37
18. Allow for the creation of Agriculture REITs.....	37
19. Ensuring Imported Products Follow Food Safety and Quality Standards Applicable to Canadian Products	39
20. Canadian Food Inspection Agency Limits Export Opportunities for Canadian Business (2018)	41
21. Creating a New Pharmaceutical Industry in Canada (2019)	44
22. Ensuring the Long Term Competitiveness and Sustainability of Canada's Agrifood Industries.....	46
23. Expanding Canada's Export Capacity through Harmonizing Agri-Food Cross-Border Trade Regulations with the US	49
24. Supporting Supply Management Sector Farmers and Processors Following the Conclusion of Trade Agreements	51

Human Resources, Immigration and Skills	53
25. Access to Labour: Ensuring a Strong, Sustainable Tourism Sector	53
26. Addressing Labour Shortages through the Integration of Newcomers via Better Language Training Supports	55
27. Adjust Immigration, Refugees and Citizenship Canada (IRCC) Services to Better Meet Regional Newcomer Settlement Patterns	57
28. Canada's Basic Skills Shortfall	59
29. Data Collection in the 4th Technological Revolution: Focusing On the Skills & Training Needs of Canadian Businesses	61
30. Encouraging and Supporting More Women on Corporate Boards	63
31. Canadian Vessel Crews and Temporary Foreign Workers	66
32. Expedite Foreign Credential Recognition for New Immigrants Across Canada	67
33. Improving Start-Up Visa Processes to Decrease Wait Times	69
34. Increase and Update National Occupational Classification (NOC) Codes	71
35. Measures to Avert Growing Labour Shortages in Trucking Industry	72
36. Reforming Employment Insurance	75
37. When We Build It, They Will Come How an Aerospace Innovation Cluster Can Create New Business for Canada	76
Indigenous and Territorial	79
38. Pan-Canadian Framework to Clarify Businesses' Role in Supporting the Crown in Seeking Free, Prior and Informed Consent from Indigenous Peoples	79
39. Removing Barriers for Indigenous Participation in Post-Secondary Education	81
Industry	83
40. A Mechanism for Accountability and Challenging Legislative Guidance of Administrative Decision Making Bodies	83
41. Implement a Blockchain Economic Strategy	86
42. Restoring Canada's Innovation Competitiveness	90
43. The Risks of Cyber Crime — Electronic and Digital Issues	93
International Affairs	95
44. Canada-India Free Trade: Time to Re-Engage	95
45. Enhancing Canada/U.S.A Labour Mobility	97
46. Enhancing Tariff Claims Process to Address Business Needs & Encourage Trade Growth	99
47. The Belt and Road Initiative - Opportunities and Challenges	101
48. The Need For A Renewed Softwood Lumber Agreement	104
49. Towards a Coherent Digital and Data Policy that Enables Canadian Business Success	106

Natural Resources, Energy and Environment	108
50. A Resolution for a More Robust Climate Strategy	108
51. Align the Species at Risk Act to Respond to Regional Biodiversity Conservation Needs	113
52. Crush and Credit: Put Control of Recyclables Management into the Hands of the Private Sector	116
53. Domestic Reclaimed Water Use	119
54. Enable Municipal Infrastructure to Withstand the Challenges of Climate Change	121
55. Helping Industries and Communities Transition to a Low-Carbon Economy	123
56. Infrastructure Investment Essential to Mining Sector Growth	125
57. Make The Ring Of Fire a Nationally Significant Initiative	127
58. Reform Scope of Federal Environmental Assessments to Accelerate National Infrastructure Development	130
59. Supporting Canada's Steelmaking Coal Industry	131
60. The Importance of a Canadian Natural Resource Dialogue	133
Special Issues	136
61. Child Care	136
62. Addressing the National Supply Shortage Affecting the Cannabis Industry	138
63. Aligning Federal and Municipal Housing Policies	140
64. Childcare	143
65. Emergency Slaughter - Update to the Transportation of Animals Program	145
66. Fuelling Job Growth Through Innovation	148
67. Remediation Standard For Legal and Illegal Substance Affected Properties	150
Transport	154
68. A Pan-Territorial Infrastructure Strategy	154
69. Accelerating Transportation Infrastructure to Serve One of the Fastest Growing Regional Economies in Canada	157
70. Addressing the Impact of Climate Change on Indigenous Communities' Transportation Infrastructure	160
71. Advancing Canadian Competitiveness Using Short Line Rail	163
72. Improve the Financial Viability Of Via Rail To Increase Passenger Rail Service In Canada	165
73. Increase Safety Related Infrastructure Funding For Canada's Small Airports	167
74. Keeping Canada's Air Travel Industry Sustainable & Affordable to Canadians	170
75. Share a Handshake: The Future of Canada-US Border Cooperation	174
76. Supporting Canada's Flight Schools	177

1. Addressing Barriers to Succession Planning By Leveling the Tax Playing Field to Allow For More Family Run Businesses to Stay in a Family

DESCRIPTION

Currently, there is little incentive through the Canadian tax system for family run businesses to be sold to another member of a family. According to a recent survey, 72% of business owners intend to exit their business within the next 10 years, with over \$1.5 trillion dollars of business assets to be transferred to a new generation of business owners.¹ The importance of succession planning and the creation of a business exit strategy should not be underestimated.

BACKGROUND

To ensure business owners successfully accomplish the transition of their business, it is essential to have the necessary tools and resources at their disposal. As the current Federal Income Tax Act reads, if a business is sold to an unrelated person, it is considered a capital gain. However, if that same business is sold to a family member the difference between the sale price and the price originally paid is considered a dividend. The challenge is that capital gains are taxed at a lower rate than a dividend. Therefore, the dollar difference between the sale to an unrelated person versus a family member can be significant and reduce the chances of a business being passed down to the next generation.

Small businesses are the foundation of our country. 98% of businesses in our country have less than 100 employees and according to Innovation, Science and Economic Development Canada employ 48.3% of the labour force, and account for 40.7% of the GDP. That represents 1.2 million businesses across Canada, a majority of which are owned by baby boomers who are preparing for retirement. A BDC report released in September of 2017 shows, that 52% plan to sell their business to someone outside their family, 22% plan to wind down the business and sell the assets, and 26% indicate that they would sell to a family member.² The BDC report also reveals that by 2022 41% of business owners plan to exit their business.

Various studies have proposed that only 10% of owners have a succession plan in place. A succession plan helps a business owner deal with complex topics such as:

- tax issues
- required qualifications and skills of successors
- legal issues
- how the successor will be trained/prepared for the role and
- mechanics for the purchase or transfer

Some of the top barriers to succession planning include but are not limited to:

- Finding a suitable successor
- Valuing a business

¹ The Coming Wave of Business Transitions in Canada https://www.bdc.ca/en/about/sme_research/pages/coming-wave-business-transitions-in-canada.aspx Retrieved on March 29, 2019

² The Coming Wave of Business Transitions in Canada https://www.bdc.ca/en/about/sme_research/pages/coming-wave-business-transitions-in-canada.aspx Retrieved on March 29, 2019

- Financing for the successor
- Access to cost effective professional advice

Since 2013, several tax measures have been introduced to assist Canadian business owners with the transition of their businesses. One of these measures is the Lifetime Capital Gains Exemption (LCGE) which is important because for many owners, the sale of their business is their retirement income. The Lifetime Capital Gains Exemption (LCGE) is a federal tax deduction that can be claimed against taxable capital gains and is indexed to inflation. Currently, for a small business the deduction is applied to the capital gains on the sale of qualified small business corporation shares.

It would be prudent for the federal government to focus on stimulus for succession planning for small business that addresses the various business structures while keeping in mind that vendors' general desire to use the Federal Tax Act provisions to minimize tax on the transition. Under the current tax system there is no incentive to sell a business to a family member and this should be cause for concern to the Canadian economy. This is the wrong message to be sending at a time when entrepreneurship is on the rise. With the number of businesses expected to transfer hands it is imperative that all options available to sell a business are success driven and, on a level, playing field.

RECOMMENDATIONS

That the federal government:

1. Adjust the Federal Income Tax Act so that the sale of a business to a family member is treated and taxed the same as if the purchase were by a third party.
2. Create an online platform of SMEs for sale to match with buyers (residents – particularly young entrepreneurs – and prospective immigrants) interested in purchasing a turnkey business.
3. Expand the scope of existing small business financing programs to incorporate succession planning as a legitimate reason for business financing.
4. Increase the Lifetime Capital Gains Exemption amount to \$1 million for all SMEs.

Submitted By: Greater Peterborough Chamber of Commerce

Co-sponsored by: British Columbia Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION

THE SME COMMITTEE SUPPORTS THIS RESOLUTION

2. Applying Accelerated Capital Cost Allowance Fairly to All Economic Sectors

DESCRIPTION

The Chamber of Commerce has consistently delivered the message to federal and provincial governments that accelerated capital cost allowance (ACCA) needs to remain in place as a key component of a strategy to attract new investment in the Canadian economy. In support of an enhanced value-added strategy, it is critical that ACCA be broad-based and apply fairly to capital investments in all economic sectors instead of a targeted few.

BACKGROUND

Accelerated capital cost allowance (ACCA) has been a feature of taxation in Canada for decades to encourage investment and value-added activity. Capital cost allowance rules specify the rate at which capital assets can be expensed annually. Accelerated capital cost allowance or ACCA, as the name implies, allows the normal costs of capital to be deducted as fast as income from the project will allow rather than deferring the deductions over time. As corporations recover their initial investments sooner, ACCA reduces the investment risk associated with a project, thus improving the overall economics of the project.

In response to competitive pressures, the federal government announced new ACCA measures in 2018's Fall Economic Statement. However, this announcement only applied 100% ACCA write-offs to the full cost of machinery and equipment used for the manufacturing and processing of goods and specified clean energy equipment. An Accelerated Investment Incentive was also announced to write off a larger share of targeted investments in assets like computers, aircraft, and motor vehicles.

However, other capital intensive industries that may not have been directly supported by these ACCA announcements are also facing competition and considerably higher operating costs due to labour and regulatory controls. Faced with these challenges, seizing the new economic opportunities will require our governments to implement tax policies like the ACCA that encourage rather than deter investment in these industries. Fairness dictates that value-added sectors like the petrochemical industry should be treated similarly to other manufacturing sectors and be allowed to apply the ACCA.

RECOMMENDATIONS

That the federal government:

1. Apply Accelerated Capital Cost Allowance fairly to all sectors of the Canadian economy so as not to create distortions in the tax system.

Submitted By: Fort McMurray Chamber of Commerce

Co-sponsored by: British Columbia Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION

3. Creating a Sandbox for Fintech Innovation

DESCRIPTION

The fintech industry is growing and innovating rapidly and Canada risks falling behind if its conservative financial regulators do not keep pace. The Canadian financial regulatory system is slowing speed-to-market, while companies in other global fintech hubs enjoy a more streamlined approach. Canada can improve competition in financial services by making it easier for companies of any size to test their ideas. Faster commercialization is needed for Canadian firms to compete in an increasingly global fintech marketplace.

BACKGROUND

The complexity of Canada's fintech regulatory system is placing an onerous burden on the financial services sector. Jurisdictional issues amongst federal and provincial regulators have created a patchwork regulatory landscape that lacks coherence and harmonization. Fintechs, in particular, face challenges as they often do not have dedicated teams or significant experience navigating the regulatory system. The significant costs of this regulatory burden has businesses in the financial services sector seeking regulatory relief.

There has been little progress on the Competition Bureau's recommendation that policymakers should identify a fintech policy lead amongst government and regulators.³ There remains no clear policy lead in Canada for firms to find out how to enter the market or where to find information about policy and regulation.

There is a need for a more coordinated approach that incentivizes innovation and drives collaboration among ecosystem participants. Industry and regulatory sandboxes provide a space for fintechs and financial services companies to deploy tests, participate in collaborative tests, and validate products that are not protected by current regulations or supervised by regulatory institutions. These testing grounds are particularly relevant in the fintech industry, where there is a growing need to develop regulatory frameworks for emerging business models.

Numerous fintech sandboxes have been created around the world, including in all global financial centres. Fintech companies are agile and have a choice of which sandbox to participate in from various options in international jurisdictions. Fintech sandboxes are, therefore, no longer simply about promoting and scaling homegrown firms, but are also about attracting and retaining the best companies and most advanced technologies from across the globe. Overall, the speed of change in the financial sector is accelerating and Canada must keep pace for our financial services sector to remain competitive.

RECOMMENDATIONS

That the federal government:

1. Support the creation of a fintech sandbox to enhance collaboration and innovation in the financial services ecosystem.
2. Develop criteria to determine the fintech uses cases with the greatest business potential and prioritize these technologies for sandbox intake.
3. Leverage the fintech sandbox to engage in curated dialogue on innovative regulatory approaches and to test regtech solutions.

³ <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04392.html>

Submitted By: Economic Policy Committee, Canadian Chamber of Commerce

4. Creation of an External Independent Task Force to Review Tax System if a Government-Led Review is Not Possible

DESCRIPTION

Concerns around taxation have always been front and centre for the Canadian business community. With the US lowering their federal corporate rate from 35% to 21% in 2017, Canada's business tax advantage has been drastically reduced. Other OECD countries like the UK, New Zealand, Australia, and Japan in recent years have all carried out national tax reform. For Canada to thrive in an Industry 4.0 world, we need a 21st century tax system that is fair, efficient, transparent, neutral, and promotes innovation. Absent a government-led review of the tax system, leveraging partnerships with relevant stakeholders (business groups, industry associations, tax practitioners, think tanks, academics) to carefully study the issue should be considered.

BACKGROUND

At the end of 2015, the Federal Government added a new income tax bracket, raising the top marginal personal income tax rate from 29% to 32% on incomes over \$200,000 beginning the 2016 tax year. In contrast, US tax reform measures under the 2017 United States Tax Cuts and Jobs Act lowered personal income rates for all brackets. Currently, Canada's top marginal personal income rate is 32%, while the US top marginal personal income tax rate is 37%. It is worth noting that the US top marginal personal income tax rate takes effect at an income threshold of \$500,000 USD and over. According to the Canadian Chamber of Commerce's report, *50 Years of Cutting and Pasting: Modernizing Canada's Tax System*, Canada's top marginal personal income tax rate would take effect at just under \$175,000 USD for the 2017 tax year when adjusted for purchasing power parity. Canada's top marginal personal income tax rate is the seventh highest among 33 OECD nations.

Even before recent tax reform measures were implemented in both Canada and the US, the net income tax gap between the US and Canada was already large because of the United States' lower personal income taxes and generally higher top end salaries. Punitively high personal income tax rates discourage mobile, highly-skilled workers from relocating to Canada. This also influences board-level business decision-making around the location of head offices. The general consensus among experts is that Canada is too reliant on both personal and corporate income taxes in its overall tax mix.

The Canadian Chamber of Commerce's *50 Years of Cutting and Pasting* study⁴ reports that Canada's corporate income tax rate ranks 22nd in the world on the international Tax Competitiveness Index. Even prior to the US tax reforms in 2017, capital-intensive businesses and sectors operating in Canada lagged in terms of GDP growth, investment growth, and investment on a per worker basis. *Fifty Years of Cutting and Pasting* states that Canadian businesses invested just under \$14,000 per worker in 2018, whereas non-US OECD nations invested roughly \$20,000 per worker. American companies invested about \$23,000 per worker for the same year.

Tax compliance is also becoming increasingly difficult for many Canadian businesses, particularly small and medium-sized enterprises (SMEs). The time and cost of tax compliance is becoming very high. The

⁴ Stratton, Trevin. February 2019. "Fifty Years of Cutting and Pasting: Modernizing Canada's Tax System." Canadian Chamber of Commerce.

2018 CPA Canada study⁵ reported that 61% of their membership said the current tax system in Canada hinders business competitiveness. On the World Bank's Time to Prepare and Pay Taxes (hours) indicator from 2017, Canada ranks 41st in the world at 131 hours and this number has been increasing annually. Canada's byzantine tax system discourages compliance and uptake from otherwise eligible businesses.

RECOMMENDATIONS

That the federal government:

1. Support the creation of an independent external tax task force to conduct a comprehensive review of the Canadian tax system if a government-led review is not possible.
2. Financially support the administrative and operational costs of the tax task force to conduct a comprehensive review.
3. Commit to adopt the recommendations of the tax task force once a final report is submitted.

Submitted By: Saskatchewan Chamber of Commerce

Co-sponsored by: Battlefords Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

⁵ CPA Canada. 2018. "Canada's Tax System: What's so Wrong and Why it Matters."

5. Credit Card Merchant Fees

DESCRIPTION

Every year, \$44 trillion dollars worth of payments are made in Canada.⁶ Only 20% of this value is done with cash, down from 50% in the 1990s⁷. This signals the growing reliance and importance of credit card and debit transactions, not only for consumers, but also for the businesses that rely on these methods to accept payments. However, at \$5 billion per year, the current system has resulted in Canadian merchant businesses paying some of the highest credit card acceptance fees in the world, costs which trickle down to the consumer regardless of their payment method.

BACKGROUND

Many of the businesses accepting credit card payments for goods and services are unclear on the inner workings of merchant services providers (MSPs). MSPs are a third party such as Visa and MasterCard who process credit card transactions. The current system has resulted in many businesses paying higher fees for credit card acceptance than necessary. Businesses are enticed to switch service providers on the premise of lower rates. However, as most businesses are unaware of the actual VISA and MasterCard rates - the actual Merchant Discount Rate (MDR) - they are misled to believe that a lower MDR results in savings on their actual credit card transactions. On the contrary, a lower than actual MDR means that the MSP is losing money on every transaction and, thus, has to recoup its losses through the card brand fee and/or non-qualified surcharges, which can vary substantially across different service providers.

The 3 Components to Credit Card processing:

1. Merchant Discount Rate (MDR): This is the base rate charged by the provider. Any rate below the rate VISA charges the MSP for processing one of its credit cards causes the MSP to take a loss on the transaction. In order to recoup this loss, the MSP thus has to bump up the rates in 2. and 3.;
2. Card Brand Fee (CBF) - 0.10% or more (the actual cost is 0.08% but is rounded up by most MSPs): This fee is used by VISA and MasterCard to advertise their brands, as well as to improve the stability of their networks
3. Non-qualified Surcharge (NQS) - 0.30% is the average value of this surcharge. However, it can vary greatly depending on the base rate offered by the MSP. Certain MSPs will undercut the Merchant Discount Rate (MDR) and then increase the Non-qualified surcharge (NQS) to make up for the loss they incur. Monies raised through this rate are used by major banks to promote their credit card programs and to pay for benefits received by credit card holders. The rate is also charged on keyed transactions, which are considered higher risk, as well as on all Infinite credit cards (i.e. Avion, Aeroplan, etc.)

In 2010, the federal government introduced a voluntary code of conduct for the credit and debit card industry in Canada aimed at alleviating issues of asymmetric information and flexibility. When this code of conduct is adopted by the MSPs, they are expected to:

- to ensure that merchants are fully aware of the costs associated with the acceptance of credit and debit card payments;
- to provide the merchant with increased pricing flexibility to encourage consumers to choose the lowest-cost payment option (i.e. clearly show all components of the total fees, as most

⁶ <https://www.fin.gc.ca/activty/consult/onps-ssnp-eng.asp>

⁷ Ibid.

- credit card agreements do not allow merchants to use incentives to discourage the use of credit card or premium credit cards); and
- to allow merchants to freely choose which payment options to accept.

However, this remains a voluntary code of conduct and, therefore has been adopted only by a limited number of service providers. Its voluntary nature stands to undermine any real benefits to merchants these policy proposals may have. In a 2013 decision, which dismissed a complaint against two large credit card service providers, finding that they had not violated the Competition Act, the federal Competition Tribunal acknowledged the issues in the country's credit card payment system and called for a regulatory solution. They stated that despite finding that the MSPs had not violated the Competition Act, "...we note that the Tribunal found that Visa's and MasterCard's conduct is influencing the price of credit card services in Canada upwards and having an adverse effect on competition. At the same time, the Tribunal felt that regulation of the industry would provide a more appropriate solution than any remedy that it could provide."⁸

Providing merchants with greater flexibility in choosing their MSPs and discriminating against more expensive transactions is seen as an OECD international best practice, a practice currently not allowed in Canada⁹.

The Ministry of Finance proposed a new Retail Payments Oversight Framework in 2017, a new federal oversight framework for retail payment systems. In 2018, American Express announced an agreement to increase transparency and fairness while Visa and MasterCard agreed to a five-year voluntary reduction in fees they charge retailers to an average annual effective rate of 1.4 per cent from the current 1.5 per cent. While this agreement comes into effect when the 2014 voluntary rate reduction agreement expires on May 1, 2020¹⁰, the rates remain some of the highest in the world: In 2016, Australia introduced new interchange standards of 0.5% for credit cards and approximately \$0.08 for debit cards, with merchants permitted to surcharge transactions up to their "cost of acceptance for that card system." A similar regulation introduced in the European Union caps interchange fees at 0.3% for credit cards and 0.2% for debit cards, while also banning surcharging. Both policies are aimed at improving competition and efficiency in retail payments¹¹.

While these voluntary and temporary initiatives provide opportunities for smaller businesses to benefit from lower credit card processing fees and narrow the gap between rates that smaller businesses pay and those available to large firms, they remain some of the highest in the world and warrant further efforts aimed at reducing rates and ensuring rate certainty, transparency, and flexibility for Canadian businesses.

RECOMMENDATIONS

That the federal government:

1. Consult with the banking and financial services industry in changing from a voluntary to mandatory code of conduct, as introduced in April 2010 for the credit card and debit card industry in Canada, thereby ensuring that all parties are required to abide by and comply with the existing code's guidelines for greater transparency, disclosure and flexibility

⁸ <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03614.html>

⁹ <http://www.oecd.org/competition/PaymentSystems2012.pdf>

¹⁰ <https://www.fin.gc.ca/n18/18-069-eng.asp>

¹¹ <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04315.html>

2. Provide merchants with increased pricing flexibility to encourage consumers to choose the lowest- cost payment option
3. Work to better educate merchants on their rights and options to battle any informational asymmetry
4. Enact legislation requiring full disclosure by service providers, including merchant service providers, of all costs associated with acceptance of credit and debit payment
5. Work with the credit card industry to reduce fees charged to merchants when accepting international credit cards.

Submitted By: Greater Vancouver Board of Trade

Co-sponsored by Greater Langley Chamber of Commerce, Qualicum Beach Chamber of Commerce and Parksville & District Chamber of Commerce

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

6. Eliminating or Reducing Capital Taxes on Financial Institutions

DESCRIPTION

A continuing capital tax is limiting the competitiveness and long-term sustainability of the Canadian financial sector.

BACKGROUND

The 2019 federal budget submission from the Canadian Life and Health Insurance Association (CLHIA) noted that internationally, governments continue to strengthen regulatory capital requirements of financial institutions to protect consumers and prevent the need for costly taxpayer bail-outs.

Canada however is the only major country to also levy a tax on the very same regulatory capital held to protect consumers. In 2017, life insurers paid over \$200 million in federal capital taxes in addition to the income taxes paid on corporate profits. While the CLHIA has repeatedly advocated the elimination of this tax, the introduction of a new regulatory capital framework in 2018 will further increase the tax burden of life insurers, making capital taxes even more punitive.

According to the CLHIA capital taxes increase the cost of capital both directly and indirectly for their members, limiting their ability to strengthen existing levels, to underwrite additional risks, and to provide greater protection for Canadians. Studies have generally indicated that a ten percent increase in the cost of capital leads to a seven to ten percent reduction in investment in the long run.

As the only nation in the G20 to impose a capital tax, it is time for the federal government to eliminate this measure on Canadian financial institutions to encourage their competitiveness. If elimination is not possible in the short term, the capital tax should be reduced immediately to ensure reasonable recoverability against corporate income tax. Government action on this issue would send a message that capital accumulation by financial institutions to protect consumers is a viable policy option.

The federal capital tax was eliminated on January 1, 2006 (two years ahead of the previously scheduled termination date), however financial and insurance corporations with taxable capital in excess of \$1 billion are still levied a 1.25 percent tax. Jason Clemens of the Fraser Institute wrote in 2002 that the capital tax is "by far the most destructive and growth-inhibiting tax imposed by Canadian governments."

RECOMMENDATIONS

That the federal government:

1. immediately reduce or eliminate the capital tax on financial institutions to ensure reasonable recoverability against corporate income tax.

Submitted By: Greater Kitchener Waterloo Chamber of Commerce

Co-sponsored by: Greater Kingston Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

7. Ensuring Cryptocurrency Miners Are Not Financial Services for HST/GST Purposes

DESCRIPTION

Cryptocurrency miners are not being adequately considered when drafting new legislation. This will lead to uncertainty in the new technology market, and a loss of investment.

BACKGROUND

ISSUE STATEMENT

Determining who the recipient of cryptocurrency miner's services is often not possible, forcing Canada's miners to fall in line with existing GST regulation has created significant uncertainty and potential hardship. As such, cryptocurrency miners are uncertain around whether they have to collect GST/HST on their revenues. Such levels of uncertainty leave businesses unwilling to invest in this highly coveted market, and so economic activity and innovation suffer.

Canada must be innovative in their legislation creation to ensure that there are clear parameters and guarantees for innovative entrepreneurs especially when new technology is involved. The Chamber network must work collaboratively on issues that resist change and create gaps within the system leading to uncertainty.

The federal government is considering amending the Excise Tax Act to include a definition for virtual instruments – cryptocurrency buyers and sellers. Being a virtual instrument, as with other financial instruments, means the operation and transactions performed become non-taxable at the GST level. This means that the equipment with which the financial institution operates cannot be taxed. Additionally, depending on this proposed amendment becoming legislation, the buyer and seller of cryptocurrency must follow the rules that apply to financial institutions, which may result in the ineligibility to claim input tax credits, additional apportionment, and annual reporting requirements, among other changes.

The Federal Government should clearly indicate that cryptocurrency miners operate as "zero-rated supplies". Without certainty, we may see many miners moving from Canada as a result of heavily bureaucratic processes and hard tax costs.

BACKGROUND

Cryptocurrency is a digital currency used to buy and sell commodities throughout the world. It is a multibillion-dollar industry that operates throughout the world as figure 1 illustrates. Cryptocurrency differs from the government-issued legal tender in two big ways:

1. It is encrypted – the coins and transactions are verified by a type of cryptography
2. It is decentralized – there is no middle man (or bank) involved

Figure 1 Trading volumes of cryptocurrency and US municipal and corporate bonds (weekly)

Cryptocurrency is a viable currency system separate from banks and governments, which is the appeal for utilizing cryptocurrency, and sometimes it is used for illegal transactions because of that fact.

Cryptocurrency runs on a secure and anonymous data ledger known as blockchain that publicly records all transaction. Through the blockchain, many different people hold onto identical copies of the ledger on their computers – known as nodes. Each time a transaction occurs, the nodes independently update and verify it from chunks of data called blocks. Those blocks are verified by miners.

Miners confirm all transactions that take place when cryptocurrency is exchanged. They set a computer program to solve a captcha mathematical puzzle unique to each block. The solution is proof that the transaction is verified. The verification is then sent to each node along the chain of transactions. This is how cryptocurrency is tracked and confirmed so that no coins are deposited twice.

Miners receive an incentive to create and run computer programs to solve the mathematical puzzles in the form of cryptocurrency – essentially a commission on their service. Miners often use their personal computers, which are located in their home for which they pay a mortgage or rent and electricity, for the purpose of creating income.

The federal government is amending the Excise Tax Act to include “virtual instruments”, the cryptocurrency buyers and sellers. Banks, as an example, are “financial instruments” defined in subsection 123(1) of the Excise Tax Act (ETA). The federal government is looking to amend subsection 123(1) of the ETA to include a definition for “virtual payment instrument”, which will be defined as:

““virtual payment instrument” means property that is a digital representation of value, that functions as a medium of exchange and that only exists at a digital address of a publicly distributed ledger, other than property that:

- (a) confers a right, whether immediate or future and whether absolute or contingent, to be exchanged or redeemed for money or specific property or services or to be converted into money or specific property or services
- (b) is primarily for use within or as part of, a gaming platform, an affinity or rewards program or a similar platform or program, or
- (c) is prescribed property”

This amendment will result in the sale of a virtual payment instrument on an exchange, the use of such an instrument as a method of payment, and any similar supply qualifying as a financial service under the ETA.

Financial services are not taxable. With the new legislation, those who are brokering, selling, trading in virtual currencies may become listed as a financial institution. Miners are not explicitly stated to be included in the definition of “virtual payment instrument”. If they are, the miner must follow the rules that apply to financial institutions, which will result in changes to input tax credit ineligibility, additional apportionment, and annual reporting requirements, among other changes.

Additionally, miners have global customers, who are anonymous. If a miner is considered a “virtual payment instrument” they would be unable to disclose their customer base and determine whether HST or GST should be charged. This adds to the uncertainty around mining in Canada, which would then result in lost innovation and investment in the cryptocurrency mining industry.

The Federal Government should ensure that policy is in place that clearly defines that cryptocurrency miners operate as taxable ventures at a zero-rated level to encourage investment in the industry within

Canada. Without certainty, we may see many miners moving from Canada as a result of heavily bureaucratic processes.

RECOMMENDATIONS

That the federal government:

1. Clarify whether miners must collect HST/GST on their revenues by creating a system on how to report who is receiving their services by legislating that they are taxable at a zero-rated level; and,
2. Ensuring that miners are still eligible for input tax credits on costs for computers, electricity, and other necessary equipment and services to mine.

Submitted By: Surrey Board of Trade

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

8. Exempt Spouses from Tax on Split Income

DESCRIPTION

Allowing Canadian-controlled private corporations (CCPC's) to split income would create consistency within the treatment of income taxes. It would also support the success and enhance the growth of small businesses, especially family-based businesses.

BACKGROUND

Historically, owners of Canadian-controlled private corporations (CCPC's) have been able to split income with family members by paying dividends on CCPC shares owned directly, or indirectly through a Family Trust, to family members including spouses and children. Up until 2000, this strategy was available to small business owners with respect to the payment of dividends to all family members including minor children¹², most often via the use of a Family Trust. The objective, and result, was the mitigation of the overall tax burden of the small business owner by being able to utilize the low marginal rates of tax for all family members by having these dividends taxed in the hands of family members rather than all in the hands of the small business owner.

In 2000, the Department of Finance introduced legislation to ensure that any dividends paid to a minor child (either directly or indirectly) would be taxed in the hands of the minor at the highest marginal rate, thus frustrating access to the child's low marginal tax rates. These changes were colloquially referred to as the "kiddie tax" but specifically represented the first efforts of the Department of Finance with respect to introducing a "tax on split income" (TOSI). In the Budget releases following the 2000 introduction of the "kiddie tax" the government expanded the reach and application of TOSI by including not only dividends received by a minor from a related private corporation, but also capital gains realized on the sale of shares of a CCPC to a non-arm's length purchaser, rents realized on real property owned by a non-arm's length party as well as interest on debt issued to related parties. At the time, adult children and spouses were not subject to the reach of the "kiddie tax" rules as these were specific to minor children.

On July 18, 2017, the reach of the TOSI rules changed dramatically with the release of the Liberal government's White Paper on the Taxation of CCPC's. This White Paper formed the basis for legislation announced in the 2018 Budget that sought to treat certain adult children and spouses in the same manner as minor children with respect to the receipt of dividends and other sources of income received from a CCPC. The TOSI rules are very complex and problematic for business owners and their advisors in that they specifically eliminate any opportunity for a CCPC to remunerate spouses of "principal" shareholders of certain businesses with dividends or other sources of income. Because of their complexity and the selective nature of their application, it has become clear that, not only do the rules place certain industries (in particular service-based businesses) at a distinct disadvantage when it comes to tax planning opportunities, it also reflects a distinct gender bias as the vast majority of female spouses who have previously been provided with a source of independently-reported income are now viewed as wholly-dependent upon their male principal-shareholder spouses.

The application of the new TOSI rules to spouses also reflects an inconsistency in the income tax treatment of the individual taxpayer versus the family and, in particular, spouses. The "family unit" has generally been viewed as the appropriate unit of taxation as opposed to the individual¹³. Generally,

¹² A "minor child" refers to a child that has not reached the age of majority, or 18 years of age, in the year.

¹³ As recommended by the Carter Commission in the 1972 Royal Commission Report on Income Taxation.

spouses are considered together as a couple for many income-tested benefits, pension income-splitting and spousal RRSP's which highlights the inconsistent approach to enabling principal shareholders to share income with their spouses. Beyond the pure income tax considerations, family law legislation in all provinces generally will recognize that both spouses make equal contributions in a marriage notwithstanding there may not be direct measurable capital contributions to a business. Family assets may be at risk for the purposes of financing CCPC debt, may be used indirectly in the execution of business operations or may form the quantum of funds contributed for business startup.

In addition to the shared-asset argument, spouses of principal shareholders are a critical informal source of support for business operations. A non-active spouse will often act as a sounding board and provide valuable perspective and advice to the active spouse.

RECOMMENDATIONS

That the federal government:

1. Department of Finance immediately amend the Income Tax Act to exempt spouses from the application of the tax on split income legislation.

Submitted By: Beaumont Chamber of Commerce

Co-sponsored by: Sherwood Park & District Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION WITH THE FOLLOWING CHANGES: THIS RESOLUTION CAN BE RE-FRAMED TO LOOK AT THE INCONSISTENCY IN HOW COUPLES ARE TAXED – INCOME SPLITTING IS ALLOWED IN SOME CASES (LIKE RETIREMENT), BUT NOT IN OTHERS. SIMPLIFYING THESE RULES BY LOOKING AT HOW COUPLES ARE TAXED IN ALL CASES (INCLUDING INVESTMENT) CAN HELP WITH THE CONSISTENCY OF THE TAX SYSTEM.

THE SME COMMITTEE SUPPORTS THIS RESOLUTION.

9. Flow Through Shares for Innovation Companies

DESCRIPTION

Innovative companies have difficulty accessing capital and investment and could benefit significantly from flow-through-shares if permitted.

BACKGROUND

A flow-through share (FTS) is a tax-based financing incentive that is available to, among others, the mining and resource sectors. An FTS is a type of share issued by a corporation to a taxpayer, pursuant to an agreement with the corporation under which the issuing corporation agrees to incur eligible development, research and innovation expenses in an amount up to the consideration paid by the taxpayer for the shares.

The company incurs expenditures that flows through to the investor. The investor gets a deduction for the expenditures flowed through. This results in tax savings, with larger savings for those in the upper tax brackets. Also, the cost base of the investment is reduced by the amount deducted. As such, on the sale of the shares, the investor has a capital gain – capital gains are only ½ taxed. So, a more or less full deduction for the cost at 100%, with capital gain (at 50%) on the sale.

The “Canada as a Global Leader in Venture Capital Financing” resolution of the Canadian Chamber of Commerce also calls for the use of flow-through-shares for technology companies as it has generated billions of dollars in revenue for Canadian mining exploration.

Innovative companies invest significantly in technology and R&D and would benefit greatly from the ability to offer flow-through-shares and generate much needed capital. Some of these companies leave Canada for the United States and other markets due to inadequate investment in Canada. Flow Through Shares would incent investors to invest the much needed private capital into these commercially viable and scalable companies.

The extension of flow-through shares for these companies should be looked at in the context of the Canadian Chamber of Commerce's call for a Royal Commission on Taxation in Canada.

Canada should extend flow-through-shares to ensure our most innovative companies have access.

RECOMMENDATIONS

That the federal government:

1. Amend the Tax Code to permit flow-through-shares for innovation companies.

Submitted By: Mississauga Board of Trade

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

THE SME COMMITTEE SUPPORTS THIS RESOLUTION.

10. Getting More Rental Housing onto the Market - Now

DESCRIPTION

In many parts of Canada, rental housing is in desperately short supply. Whether it is due to explosive population growth, the crisis in affordability of home ownership, or the aging and disrepair of existing rental stock, it is undeniable that the supply of rental housing is greatly outstripped by demand.

The shortage of rental housing is not news. Demand has exceeded supply for years. How is it that at the end of one of the longest booms in real estate construction that our country's major and mid-sized cities have ever seen, that there is still a shortage of rental stock?

BACKGROUND

The answer is simple economics. Those in the market with the capacity to build new housing, prefer to build units for sale, not rental. The reason for this preference is that the investment returns on housing built for sale is better than the returns on purpose-built rental stock. Given the tremendous increase in the cost of land and construction, this is no surprise. What developer would not prefer to get its investment and profit immediately after construction, as compared to waiting an average of ten years¹⁴ just to get back the money it has sunk into a rental building?

Affordable housing solutions generally fall onto the shoulders of provincial and municipal/regional government bodies. Through their interventions in the market, the viability of rental housing for developers waxes and wanes with successive governments.¹⁵

SOLUTION

The federal government has acknowledged that it, too, has a role to play in housing Canadians. With housing security of low- and now middle-income Canadians a pressing issue, increasing rental stock is perhaps the most impactful change the federal government can aim for. For the past 15 years, 63% of Canadians have owned homes. In recent years, home ownership rapidly increased to 69% and many renters were able to transition to homeownership, reducing demand on the existing rental market and available units.¹⁶

The federal government can play its proper role in this by incentivizing the construction of new purpose-built rental stock with simple adjustments to the Income Tax Act and the Excise Tax Act.

Accelerated depreciation under the Income Tax Act for purpose-built rental housing

¹⁴ Institutional investment into existing residential properties highlights the low-cost of entry compared to new construction. The price of investment is sometimes 60% the price of new development. There is an opportunity to develop new housing units at currently unmet price points as new housing unit developments are frequently priced at 140% of average market rent and affordable units are frequently developed at less than 90% of average market rents. For non-profit organizations that develop affordable housing, the opportunity to finance affordable housing through generated revenue exists by developing market housing units at 120-130% of average market rents to subsidize affordable housing units. Source: New Opportunities in Rental Housing Financing CANADIAN HOUSING AND RENEWAL ASSOCIATION May 3rd, 2017: Setting the Context; Steve Pomeroy, Principal, Focus Consulting Inc

¹⁵ The risk-to-cost profile of development changes over time. Risk of failure is high in the beginning of projects, making the low financial investment in this phase extremely high risk. As projects move forward and confirm land, zoning, and other aspects, the risk decreases and the financial investment increases. For these reasons, early projects are best explored by working with external stakeholders, such as Canada Mortgage and Housing Corporation. Source New Opportunities in Rental Housing Financing CANADIAN HOUSING AND RENEWAL ASSOCIATION May 3rd, 2017; Development Discussion and Examples Simon Davie, Chief Operating Officer, Terra Housing (BC)

¹⁶ New Opportunities in Rental Housing Financing; S Pomeroy, op.cit.

Presently, multi-unit residential buildings acquired before 1980 and 1987 respectively, qualify for capital cost allowance (CCA, i.e., depreciation expense) in classes 31 and 32.¹⁷ These classes have rates of 5% and 10%, respectively. A higher CCA rate allows an owner of property used to generate income (e.g., rental units) to write off a larger part of the undepreciated capital cost (in simple terms, the cost of the property less its accumulated depreciation) against income each year. The result is that higher CCA rates make capital investments (e.g., the construction of purpose-built rental housing) more profitable in the near term.

Creation of an additional accelerated allowance for new rental housing stock would make investments in rental housing relatively more attractive to owners of new, purpose-built rental housing, and, by extension, land developers. Incentivizing investments in this way is well-established in the Income Tax Act (most of the text in section 1100 (1) of the Income Tax Act deals with additional accelerated allowances for property used in manufacturing, film production, etc.), and a proven tool for spurring investment.

In “Homes for BC” February 2018, the BC Government introduced a 30-point plan for housing affordability in BC. In that document fully 13 of the 30 points deal with rental housing in some form. Two of the points specifically deal with the province working more closely with the federal government to better enable affordable housing. Thus, the request that the province and the federal government work hand in hand to promote increased rental stock through modified capital cost allowances would provide a triple win for the province, the federal government, and the Canadian renter.

Lifting the GST burden on rental housing

Section 191 of the Excise Tax Act requires builders to pay Goods and Services Tax (GST) on their costs to build or substantially renovate rental housing units. The rationale for this policy is that builders who self-supply rental housing should pay GST¹⁸ in order to remove the potential tax advantage a builder would have in constructing or substantially renovating a residential complex and then offering the residential complex for rent. A person who is not a builder who wanted to do the same would have to purchase the new or substantially renovated residential complex in a completed state from a builder and would have to pay GST/HST on the purchase.

Instead of penalizing both builders and those who purchase purpose-built rental housing, the federal government should level the playing field by making purpose-built rental housing GST-exempt. For example, the federal government could implement a rule whereby buildings having a minimum number of self-contained suites (e.g., ten or more) are presumptively treated as rental housing, and exempted from GST. To avoid abuse, the federal government could adopt approaches pioneered by municipalities on the front lines of the affordable housing crisis. To take one example, Vancouver has implemented a program whereby purpose-built/renovated rentals are subject to restrictive covenants

¹⁷ Class 31 (5%) and Class 32 (10%) include multiple unit residential buildings (MURB) certified by the Canada Mortgage and Housing Corporation (CMHC) to which all the following conditions apply: they are located in Canada; they contain two or more units; they provide their occupants with a relatively permanent residence. If the whole building qualifies as a Class 31 or Class 32 rental property (a MURB), then each unit within the building is a Class 31 or Class 32 rental property. To be included in Class 31 with a CCA rate of 5%, the building must have been acquired after 1979 and before June 18, 1987. To be included in Class 32 with a CCA rate of 10%, the building must have been acquired before 1980. For 1994 and following years, taxpayers can no longer create or increase a rental loss by claiming CCA on a Class 31 or Class 32 property. When a MURB no longer qualifies as a Class 31 or Class 32 rental property, it must be transferred to the correct class. Source: Government of Canada: Rental – Classes of Depreciable Property 2019

¹⁸ GST/HST memorandum 19.2.3, June 1998; available online: https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/19-2-3/residential-real-property-deemed-supplies.html#P53_1524

on title. The federal government could require GST registrants to provide proof of such a covenant to establish the eligibility of the subject building for GST exempt status.

In addition, the federal government should act to lift the burden of the GST from landlords' operating costs. Currently, landlords must pay GST on operating costs of rental housing buildings, while rent is GST exempt. This GST burden reduces the return on rental housing and causes landlords to increase rent. Amending the Excise Tax Act to allow landlords to recover GST on operating costs will help increase the supply of affordable rental housing by reversing both of these effects.

RECOMMENDATIONS

That the federal government:

1. Immediately modify the CCA so that federal legislation incentivizes investment in new, purpose-built rental housing stock by providing for additional accelerated capital cost allowance on new rental housing property.
2. Amend the Income Tax Act to encourage, rather than discourage, private investment in purpose-built rental housing.
3. Amend the Excise Tax Act to lift the GST burden that discourages investment in rental housing and drives up rents.

Submitted By: Kelowna Chamber of Commerce

Co-sponsored by: Greater Vernon Chamber of Commerce, Greater Westside Board of Trade, Peachland Chamber of Commerce, Summerland Chamber of Commerce, Penticton & Wine Country Chamber of Commerce, and Surrey Board of Trade.

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

11. Increase the GST/HST Filing Threshold

DESCRIPTION

In 1991 the federal government recognized that the collection and administration of the Goods and Services Tax/Harmonized Sales Tax (GST/HST) was too burdensome for small businesses. A threshold was established so businesses earning up to \$30,000 would not be required to register for a GST/HST account. The government established this threshold 25 years ago and, despite inflation, it has remained the same ever since.

BACKGROUND

The \$30,000 GST/HST threshold is outdated. If it were merely indexed to the rate of inflation, it would be over \$45,000 today. Additionally, the threshold is not competitive with limits set by countries Canada competes with.

Many countries that Canada competes with have higher thresholds, namely Australia, New Zealand, and the United Kingdom. Their values converted to Canadian dollars are approximately:

Australia	\$74,900,
New Zealand	\$50,100,
United Kingdom	\$114,000.

Smaller businesses often face a proportionally higher burden than larger businesses in complying with a harmonized tax. Exempting them from collection and filing requirements can reduce the net burden a harmonized tax imposes. By increasing the threshold, administrative costs and compliance burdens can be reduced making businesses more competitive. Moreover, since higher thresholds reduce the number of businesses in the system, they reduce the number of returns the CRA processes, the number of businesses seeking services, the number of input credit refunds, and the number of businesses that are subject to audit.

In most cases, the loss of government revenue associated with raising the threshold can be offset by lower administrative costs and lower input tax credit refunds.

RECOMMENDATIONS

That the federal government:

1. Increase the GST/HST threshold to \$75,000 as part of the 2019 federal budget and indexed to inflation thereafter.
2. Maintain the option for businesses earning less than the threshold to collect and administer GST/HST if they so choose.

Submitted By: Sarnia Lambton Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

12. Investing in Building Community

DESCRIPTION

Community organizations and not-for-profits in Canada are constantly reaching out to governments to help with capital projects. A private investment vehicle, such as a community real estate investment trust, could help these organizations and reduce funding pressure on all levels of government. While at the same time, the rise of the social enterprise demands the attention of our business development supports.

BACKGROUND

With the rise of the social enterprise and the reality that not-for-profits are businesses in their own sense, this is the time to consider solutions.

According to The Canadian Community Economic Development Network, "Social enterprise" refers to business ventures operated by non-profits, whether they are societies, charities, or co-operatives. These businesses sell goods or provide services in the market for the purpose of creating a blended return on investment, both financial and social. Their profits are returned to the business or to a social purpose, rather than maximizing profits to shareholders.¹⁹

Using Ontario as an example here are some stats from 2016:

- Ontario has almost 10,000 social enterprises employing an estimated 160,000 people.
- Social enterprises serve 3.4 million customers per year.
- 68 per cent of social enterprises in Ontario have a poverty reduction focus.
- Global investors committed \$10.6 billion USD in impact investment in 2013 and intended to invest 19 per cent more — or a total of \$12.6 billion USD — in 2014.²⁰

According to the Ontario NonProfit Network, the non-profit sector is a \$50 billion economic driver which generates 5.2% of Ontario's gross domestic product and employs a million people.²¹

Given the above statistics, the time is right to think about how not-for-profits and social enterprise can continue to thrive in our economy.

At this time, we envision a two-pronged approach.

1. Create a new stream for assessing social enterprise through the Community Futures Network. This network is in our rural communities and gives loans to local businesses. A stream to offer loans to social enterprises would strengthen the sector and allow for continued rural community business development.
2. Expand the type of properties that can be serviced by a Real Estate Investment Trust (REIT) to include social housing, healthcare, and infrastructure. In doing this, there would also have to be an increase in the percentage of assets allowed under the trust for development activities. We envision calling this type of structure a Community Real Estate Investment Trust (C-REIT).

¹⁹ <https://ccednet-rcdec.ca/en/page/definition-social-enterprise> Retrieved on May 9, 2019

²⁰ <https://www.ontario.ca/page/making-impact-ontarios-social-enterprise-progress-report> Retrieved on May 9, 2019

²¹ <https://theonnc.ca/our-work/our-financing/> Retrieved on May 9, 2019

In 2018, Grant Thornton released a report titled “REITS as a force for good”. In the document, they explore the evolution of the REITs in Canada and five other countries. They come to the conclusion that using an adapted REIT model for social properties can be beneficial. These investment vehicles could be used by local authorities, create sustainable funding across political cycles, stimulate development to balance demand and supply, and meet the desire that investors have to see both financial return and a social purpose.²²

In order to encourage investment in these vehicles and keep the investments working for a community, we suggest investors realize a tax credit for their investment. There are current examples of such tax planning including in the mining industry where flow-through shares are allowed to be issued by a corporation and investors realize a tax deduction for their investment.

Not only would this approach serve both the private and not-for-profit sector, but municipalities will also benefit. Many currently have massive infrastructure needs, yet also want to be responsive to community needs.

With this two-pronged approach in place in a community, there will be less pressure to fund not-for-profit and community organization requests at large amounts. In fact, the City of Peterborough recently decided to cap community funding at \$1 million in this budget cycle.

RECOMMENDATIONS

That the federal government:

1. Create a new stream for assessing social enterprise through the Community Futures Network.
2. Increase the allotment for TFSAs to allow for socially responsible investments such as affordable housing, environmental and capital builds for not-for-profit organizations.

Submitted By: Greater Peterborough Chamber of Commerce

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

THE TAXATION COMMITTEE ABSTAINS FROM COMMENT: THE COMMITTEE BELIEVES THAT DIRECT FUNDING MIGHT BE A BETTER MEANS TO PROMOTE INVESTMENT IN SOCIAL ENTERPRISE INSTEAD OF SECONDARY MEANS THROUGH THE INCOME TAX ACT.

²² “REITs as a force for good” Grant Thornton LLP <https://www.grantthornton.ca/globalassets/1.-member-firms/canada/insights/pdfs/grant-thornton-reits-report.pdf> Retrieved on April 25, 2019

13. Removing Excise Tax and GST on Medicinal Cannabis

DESCRIPTION

On October 17, 2018, the federal government implemented an excise tax on all cannabis products, including medical cannabis authorized by a physician.

BACKGROUND

With the legalization of cannabis, an excise tax has been placed on all cannabis products, including medical cannabis authorized by a physician. This new tax disproportionately effects patients who can least afford this increase and who are often some of the most vulnerable Canadians. Medical cannabis requires a prescription like other medications but is subjected to a different tax treatment. Removing the punitive and unfair excise tax on medicinal cannabis would encourage and incentivize patients to maintain interaction with their physicians as opposed to 'self-medicating' or substituting other prescription pain killers with significant harms, such as opioids.

Medical cannabis users are provided prescriptions and oversight from registered physicians. For example, in Alberta, these patients are required by the College of Physicians and Surgeons to follow-up with their physicians every 3 months. Physician oversight is beneficial to positive health outcomes, harm reduction and treatment plans among medical cannabis patients.

Prior to October 17, 2018, the 269,000 registered medical cannabis patients in Canada paid GST/PST/HST on their products to relieve symptoms from various conditions, including chronic pain disorders, arthritis, insomnia, multiple sclerosis, Crohn's disease, and epilepsy. However, applying any tax to medically prescribed cannabis is inconsistent with the taxation of all other prescription medicines, which are tax exempt. Patients already pay sales tax on medical cannabis and aren't eligible for reimbursement under most insurance plans in Canada.

Many of these patients are often economically disadvantaged due to enduring chronic and/or debilitating illnesses, which make them unable to continue regular employment. Companies such as Aurora and MedReleaf provide patients with compassionate pricing for low-income households, provincial or federal disability assistance recipients, Canadian Veterans and members of Canadian Association of Retired Persons (CARP) to help offset the current federal tax and provincial taxes applied. Unfortunately, any further tax burden will put this medicine out of reach for many patients and some may need to turn to the black market for their medicinal cannabis.

Medical cannabis is regulated by Health Canada and distributed directly to clients from licensed producers. The rationale behind fees and surcharges imposed by Health Canada is to cover their costs related to medical cannabis. Therefore, there are no new regulatory or distribution touchpoints to the medical cannabis system and governments are not incurring additional costs related to it since the excise tax was implemented.

For this reason, this new excise tax can be construed as a revenue generation tool with no cost rationale or evidence provided. Suspending the implementation of this tax on medical cannabis would not reduce current revenues, as medical cannabis was in the market prior to the legalization in October 2018.

As a result, costs will increase for these patients, many of whom are society's most vulnerable (seniors, disabled, veterans, and the severely ill) and rather than increasing costs, the federal government should be exploring ways ease the financial burden of Canadians who use medicinal cannabis.

A further increase in costs will push patients out of the medical system and into the black market where costs are lower, but products are not tested or regulated, and any profits would continue to flow to criminal enterprises.

From a general population viewpoint, a February 2018 survey found that while the majority of Canadians support an excise tax on recreational cannabis, the majority do not support an excise tax on medical cannabis.²³

RECOMMENDATIONS

That the federal government:

1. Exempt medical cannabis from any excise or revenue generating taxes.
2. Eliminate the GST on medical cannabis, aligning overall tax treatment with other prescription medications.

Submitted By: Medicine Hat & District Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

²³ Navigator, February 2018. An online, national quantitative study was conducted among a representative sample of 1,200 Canadian adults, 19 years of age or older. Quota sampling was employed to ensure that the composition reflects that of the actual Canadian population in terms of age, gender, and province, according to the latest StatsCan findings.

14. Restore the Integration of the Corporate and Personal Income Tax System

DESCRIPTION

A fully integrated income tax system, as stated by the Carter Commission Report, would avoid double taxation under the corporate income tax system and the private income tax system, while ensuring that there is relative indifference between earning income through a Canadian corporation, by salary or by dividend. It would also address other distortions in Canadian taxation.

BACKGROUND

The Royal Commission on Taxation, better known as the "Carter Commission", conducted its comprehensive review of the Canadian income tax system over 50 years ago in 1966, rendering its report to Canadians in 1972. The Carter Commission Report introduced, among other recommendations, the concept that income should be taxed at the same rate regardless of whether it was earned in a corporation or personally. This concept has become known as the concept of "tax integration" of the personal income tax system (PIT) and the corporate income tax system (CIT). To accomplish this objective the Canadian Income Tax Act has various tax integration mechanisms. In effect what this means is that the Canadian personal and corporate income tax systems are integrated to yield the same overall tax liability regardless of the structure used to earn the income, which, in theory, should not influence a taxpayer's decision as to whether the income should be earned personally or through a corporate structure. These tax integration mechanisms have two major components.

The first relates to active corporate income, also called active business income (ABI). There are two stages of taxation of corporate earned business income. For a Canadian Controlled Private Corporation (CCPC) that earns active business income that qualifies for the small business deduction (SBD) there is a low rate of corporate tax charged, which is currently 11% (combined federal and provincial rates) in Alberta. That same income, if earned personally, would be taxed at 48% in Alberta at top personal marginal tax rates. How is this remaining 37% of tax charged to maintain integration? The dividend tax credit mechanism achieves the first element of integration at the PIT level. When a dividend is paid to the shareholder it is "grossed-up" to a taxable dividend and the taxpayer pays tax at full personal marginal tax rates but receives a dividend tax credit more or less equal to the tax the corporation originally paid. As a result (in theory) the overall tax rate is the same and tax integration is achieved.

The second tax integration mechanism relates to passive or investment income earned in a corporation. In this case the objective is to ensure that there is no tax benefit to earning investment income in a corporation by paying a lower rate of tax. This is accomplished by taxing the investment income earned by the corporation at high rates, in past years about the same as would be paid by an individual earning the income directly. However, in this case, part of the tax is allocated to the refundable dividend tax on hand (RDTOH) account with this amount being refunded to the corporation at a prescribed dollar rate for every dollar of taxable dividends paid to a (human) shareholder. Theoretically, this amount is passed to the shareholder to be taxed under the PIT system thereby again achieving tax integration.

Under these mechanisms, personal income tax returns allow taxpayers to gross-up their dividend income and then apply a tax credit to adjust the amount of taxes payable. The rates of gross-up and

credit were initially set to achieve the full integration of CIT and PIT for small businesses. Since its creation in 1972, the dividend tax credit as well as statutory corporate tax rates have changed. As a result, in some years there has been over-integration for small business in the sense that the dividend credit was generous enough to reduce the combined tax on dividend income below that on other income. With the provinces levying differential rates of corporate tax on small business, and with federal and provincial surtaxes, the situation has become more complex. At present there is consistent over-integration throughout the provinces, with the departures from full integration being most significant for investment income earned by a corporation.

The most recent changes to the Income Tax Act, Canada (the Act) have resulted in dramatic and punitive changes with the way CCPC's are taxed on active and investment income earned. The result has been the absolute decimation of the Carter Commission's objective of integration of the CIT and PIT as we have witnessed the under-integration of all forms of income distributed from a corporation grow dramatically from mere tenths of a percentage point to in excess of 11% per cent in the 2019 taxation year. As recently as 2012, the disparity between earning \$1,000 of investment income in a corporation versus earning the same \$1,000 personally was a mere \$17.20 of additional tax paid.¹ Today that same disparity has grown to \$116.20 — a 676% increase in the associated tax cost.

The value of a fully integrated income tax system, as stated by the Carter Commission Report, is to avoid double taxation under the CIT and PIT while ensuring that there is relative indifference between earning income through a Canadian corporation, by salary or by dividend. The full integration of the CIT and PIT has the further benefit of eliminating another non-neutrality of the existing corporate income tax in Canada, the distortion of incorporation decisions. Without full integration, the combined taxation of corporate source income exceeds the taxation of comparable unincorporated businesses.

RECOMMENDATIONS

That the federal government:

1. Department of Finance undertake a full review of the integration mechanisms that currently exist within the Act, including, but not limited to:
 - CIT rates for active small business, general and investment income;
 - the additional tax on investment income earned in a corporation;
 - the PIT dividend gross-up mechanism; and,
 - the PIT dividend tax credit;
 - the CIT RDTOH rates;
 - eligible dividend PIT rates;
 - non-eligible dividend PIT rates; and,
 - PIT rates.
2. That upon completion of this review, the Department of Finance amend the applicable rates and provisions of the Act to ensure the restoration of tax integration as recommended by the Carter Commission Report.
3. That the Department of Finance work with the Provincial governments to ensure tax rates reflect the best integration as possible.

Submitted By: Beaumont Chamber of Commerce

Co-sponsored by: Sherwood Park & District Chamber of Commerce

THE TAXATION COMMITTEE DOES NOT SUPPORT THIS RESOLUTION:

- 1) MANY ASPECTS OF THE RECOMMENDATIONS WOULD INVOLVE COORDINATION AMONGST THE PROVINCES, WITH LITTLE EXPLANATION ON HOW TO MAKE THIS HAPPEN
- 2) UNLESS CANADA IS GOING TO ADD A THIRD TYPE OF SURPLUS, WE WILL NEED A SEPARATE POOL FOR INVESTMENT INCOME
- 3) THIS RESOLUTION CAN BE LOOKED AT AS PART OF A COMPREHENSIVE TAX REVIEW.

15. Support of a Federal Excise Tax Review for Alcohol and Eliminate the Automatic Escalator (2019)

DESCRIPTION

Canadians pay among the highest taxes on alcohol in the world. This is a rising issue for consumers across our nation, as well as producers. The Federal Excise Duty on alcohol is applied in an unbalanced manner that puts small distilleries at a disadvantage amongst wineries and breweries in Canada, and amongst foreign distilleries that operate in lower cost/tax environments. Automatic escalator taxes on beer and spirits that compound each year, indefinitely, will also put tremendous financial strain on those involved throughout the supply chain of beer and spirits.

BACKGROUND

Canada's distillers today support 8,500 jobs across the country and generate \$5.8 billion annually in local economic activity.²⁴ In Canada, bulk alcohol production is monitored and taxed by the Canada Revenue Agency (CRA) via the Excise Duty Program and the Excise Act is the legislation. There is a Federal Excise Duty applied to all alcohol products both domestic and import. However domestically, depending on the type of alcohol product, the application of Excise is widely varied and unevenly applied.

For example, a 750ml bottle of wine produced by a Canadian vineyard using Canadian grown grapes pays no Federal Excise. In fact, a Canadian wine producer can use any Canadian grown agricultural product to produce a bottle of wine and their product will still qualify as excise exempt. Breweries have Excise Duty applied using a tiered system based on each brewery's annual production and no requirement to use Canadian grown agricultural products. For a brewery that is similar in size to most of the craft distilleries in Canada, the rate is \$6.244 per hectolitre (100 litres) or the equivalent of \$0.05 for a 750ml bottle. Whereas for a distillery in Canada, regardless of distillery size and where in most cases the distillery is using 100% Canadian grown agricultural products, the Excise Duty is applied at \$12.375 per litre of absolute alcohol (LAA), which is the equivalent of \$3.51 per 750ml bottle of spirit at 40% alcohol by volume (ABV). Even when corrected for the difference in alcohol strength between beer and spirits, the rate applied to spirits is 9.4 times more than for beer.

Table 1.0 – Excise Duty Rate Comparison

	Raw Material Origin	Size Requirement	Duty Rate
Beer	Anywhere	Tiered	\$0.06 per litre
Wine	Canada Only	No Limit	\$0.00
Spirits	Mostly from Canada	N/A	\$12.375 per litre

The US lowered its Federal Excise rate for their domestic small distillery producers to spur growth in the sector and increase jobs and demand for domestic agricultural materials. Their rate is now 14% of ours on the first 100,000 proof gallons (approximately 200,000L LAA) This has spurred exponential domestic growth in their industry while also protecting against major excise revenue losses, as it only applies to the first 100,000L of production which is the volume equivalent of smaller domestic distilleries.

It is estimated that the Craft Distillery industry in the US, that was once trailing the Craft Distillery sector here in Canada, is now expanding at more than a distillery per day and has in the last few years grown

²⁴ <https://notonmytab.ca>

from a handful of regional distilleries to now more than 1,700 distilleries nationwide. (20-100 employees per distillery)

The spin-off from this growth alone on associated enterprises is estimated nationwide in the US to be in the billions.

The federal government has already extended support to both the wine and brewing industries to support the growth of these industries by changing policy to help make the producer more competitive and having more capital to invest in growth and labour. More specifically, for Canadian wineries, the government eliminated Excise Duty completely, as long as Canadian agriculture products are used. For breweries, the government introduced a tiered system that recognized small producers need more help early on; as they grow, they can afford to pay more. At present, no consideration has been extended to craft distilleries. In an attempt to stimulate local economies, compete with U.S.A. distilleries and grow the industry, eliminating (or reducing) imposed Excise Duties would be a natural extension of what has already been granted to Canadian wine and brewing companies.

In terms of competitiveness, Canada's distillers and breweries make some of the world's best whiskies, beer, and other spirits. At the same time as Canada is raising its taxes on spirits, other countries such as the United States are cutting them. Canada must establish a stable & competitive alcohol tax system in order to compete on the international stage. As a comparison, Canadians currently pay beer taxes that are five times higher than those paid by American consumers, and that that gap is expected to only increase moving forward based on both short and long-term taxation trends.²⁵

As an additional tax burden on beer and spirits, this means prices will continue to rise. This escalator tax is hidden from consumers and rises automatically. Additionally, Finance Canada officials acknowledge the measure was adopted without any consultation or analysis of its impact on consumers, producers, bartenders and servers, or farmers. A tax whose impact was not analyzed before implementation, and is not reviewed annually by Parliament, sets a dangerous precedent for Canadian businesses, taxpayers, consumers and democracy.

Fundamental to the future success of operating distilleries is to have the more available working capital to support growth through equipment acquisition, additional labour, building/storage expansion, and developing distribution/sales channels. Expansion activities undertaken by each craft distillery would certainly lead to greater employment opportunities in both the spirits industry and related ancillary manufacturing areas, greater usage of Canadian agricultural products, increased investment in land due to increased demand for raw materials, and export growth potential.

Producing hand-crafted spirits using Canadian agriculture (raw materials) is costly. Economies of scale are not in place for small producers. The cost of packaging, labour, and establishing effective distribution channels is prohibitive, resulting in craft spirits that are noticeably more expensive than large spirit producers. The elimination of Excise Duty would support small business growth and stimulate regional economies. Surplus dollars resulting from saved 'Excise Duty' could then be re-invested into future business growth strategies through improved working capital and equipment acquisition plans.

RECOMMENDATIONS

²⁵ <http://axethebeertax.ca/beertax/pdf/beercanada-report-en.pdf>

That the federal government:

1. Revitalize the excise tax for distilleries that mirrors the US craft modernization and tax reform act to reduce the excise tax to 1.77 per litre on the first 150,000 liters of absolute alcohol
2. Match the excise rate in the US on an ongoing basis on volume produced, for Canadian distilleries to have the ability to compete to help grow the Industry to a point where exports become a viable option.
3. Repeal the harmful automatic annual escalator excise tax on alcohol, thus establishing a fair and competitive environment for both producers and consumers. Include in the amendment of the Federal Courts Act an instruction to reviewing courts not to defer to the interpretation under review.

Submitted By: Greater Vernon Chamber of Commerce

Co-sponsored by: Saint John Region Chamber of Commerce, Chaleur Chamber of Commerce, Kelowna Chamber of Commerce, BC Chamber of Commerce, Atlantic Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

16. Taxation of the Digital Economy

DESCRIPTION

The tax challenges arising from the digitalization of the economy have been identified as one of the main areas of focus of the Base Erosion and Profit Shifting (BEPS) Action Plan of the Organization for Economic Co-Operation and Development (OECD).

BACKGROUND

Currently, tax treaties which Canada has in force with other countries emphasizes that business profits earned in Canada will not be subject to tax on account of income in Canada unless a sufficient amount of physical presence is established. This physical presence is called a permanent establishment, and can be established through such activities as:

- Physical facilities in Canada such as a head office or sales office,
- Equipment located on a stationary worksite for an extended period of time, or
- Employees who are present in Canada for a significant period of time.

These principles helped to simplify the application of income taxes in Canada, and alleviate an undue tax burden where activities in Canada were incidental or ancillary to the primary profit generating activities of a foreign business. However, it is no longer the case that because a foreign business does not have a physical presence in Canada, that their business model does not include a focus on Canada as a significant profit generating location. This provides a potential competitive disadvantage to domestic businesses. This also results in the Canadian government needed to look elsewhere for taxation revenues to fund public programs, resulting in a higher tax burden on those that fall within the existing tax net. Consequently, the tax system must be updated to keep pace with the emerging technological focus of today's international commerce.

Currently the International Chamber of Commerce and the OECD are in the process of developing policy statements and principles on taxation in a digital economy. The OECD issued a public consultation document in March, 2019 to solicit commentary on best practices to be included as part of their principles for OECD member countries to use as a guide.

This issue is timely, and as these frameworks are made public, and countries around the world adapt to tax digital commerce within their borders, countries without similar laws will be doubly penalized. Not only will they fail to receive the tax revenue on international commerce for sales to their residents, but their domestic businesses will also be subject to new layers of complexity and taxation when attempting to export through digital means. Canada should prepare themselves to act quickly once international frameworks are published and countries around the world enact their own laws.

RECOMMENDATIONS

That the federal government:

1. Direct the Department of Finance issue its own domestic consultation process in order to identify concerns and methods of taxation in the digital economy as it affects Canadians, particularly as the concerns relate to consistency and dispute resolutions.
2. As part of that consultation process, begin the consideration of corresponding tax laws in respect of the digital economy that fit within the scheme of the Canadian Income Tax Act and international best practices.

Submitted By: Fredericton Chamber of Commerce

THE TAXATION COMMITTEE SUPPORTS THIS RESOLUTION.

17. The Impact of the Mortgage Stress Test on Local Economies

DESCRIPTION

The mortgage financial stress test was introduced by the Federal Government in late 2017, followed by an augmentation in 2018 to include all mortgages. The stress test, initially designed to address household debt, has had negative consequences for all of Canada. The test, which was imposed amid an already-slowing housing market has had a dramatic and negative effect that will continue the longer the policy remains in effect.

BACKGROUND

The Stress-Test in Guideline B-20 is a new regulation that was created as a way of determining what homebuyers can afford under the in the event mortgage interest rates rise between mortgage origination and renewal. This means that mortgage borrowers must not only qualify for a rate that they negotiate as part of a mortgage, but also a “stressed” version of their mortgage. “This entails subjecting their mortgage to a higher rate without adjusting the household’s financial situation. The borrower would still pay the rate they were preapproved for, they just need to qualify for a higher rate in order to lock it in.”²⁶ It was intended that buyers don’t overstretch their finances when dealing with financial hardship.²⁷ This regulation affects buyers who are intending to put a down deposit of at least 20 percent and buyers with default insured mortgages (i.e. anyone who makes a down payment of less than 20%) must qualify using either the Bank of Canada five-year benchmark rate, or the rate offered by the lender (without adding the extra 2%) – whichever is higher. Ultimately, stress testing is about protecting the buyer, by ensuring that they can comfortably afford their monthly payment in case of interest rate increases.

The guideline failed to consider a few things about the ‘borrower’, as laid out by CIBC: “borrowers’ income is likely to rise during the mortgage terms. Average personal income has risen by a cumulative 12.5% over the past five years—the stress test does not take that into account. Nor does B-20 allow for the fact that during the course of the mortgage term, equity position rises due to principal payments. Another shortcoming is that the stress test doesn’t consider mortgage term and the decreasing borrower risk with longer terms selected. And finally, B-20 is in part behind the strong rise in alternative lending.”²⁸

More than a year later we can see that the regulation has caused many unintended consequences. Instead of removing risk from the housing market a great share of buyers has been driven to alternative lenders, this is a transfer from the regulated to the less regulated segment of the market. The Teranet Market Insights Report from October of 2018 found that, “20% of refinanced mortgage transactions (defined as mortgages registered on a property that did not involve a sale) during the second quarter of 2018 were sourced from private lenders...Turning to mortgages for properties with a sale, private lenders accounted for 6.8% of mortgage transactions in Q2 2018, up from 4.9% two years ago.”²⁹ The

²⁶ B-20 Stress Test: What It Means For Homebuyers [INFOGRAPHIC]. (2018, April 12). Retrieved from <https://mortgagepal.ca/b-20/>

²⁷ Connolly, Joannah. “Most Canadians Don’t Understand Mortgage Stress Test: TD Poll.” Vancouver Courier, 30 Apr. 2019, www.vancourier.com/real-estate/most-canadians-don-t-understand-mortgage-stress-test-td-poll-1.23807320.

²⁸ Tal, Benjamin. “Mortgage Stress Test: The Operation Was a Success, But..” CIBC Economics, Apr. 2019, economics.cibccm.com/economicsweb/cds?ID=7069&TYPE=EC_PDF.

²⁹ “Changes to Mortgage Stress Testing: Learnings One Year Later.” Purview Changes to Mortgage Stress Testing Learnings One Year Later Comments, 25 Feb. 2019, www.purview.ca/mortgage-stress-testing-learnings/.

regulation also does not provide an exemption for those who are purely are trying to switch lenders to lower their interest burden or those who want to refinance to reduce their total debt burden.³⁰

In many regards, this policy has failed as there is little evidence that the housing market has cooled down in areas of Canada, but more importantly in those areas of the Canadian Housing Market where pricing was out of control. As well, there has been a slowdown in construction that has resulted in job losses in not only the housing industry that has created a ripple effect into other connected industries.

According to a 2018 report by The Canadian Real Estate Association (CREA), one job is generated for every three home sale transactions however at the time the report was written, however at the time the report was written, national activity for home sales was on track to hit a five-year low. Some parts of the country are being hit especially hard such as Calgary which is on track for the fewest sales since 2000; Regina and Saskatoon which were on track for the fewest sales in 2006; and St. John's which was on track for the fewest sales since the 1990s.

One of the impacts we are seeing in Alberta is the compression of the housing market into a narrower price range. This will impact future sales and could make it more difficult for people to sell their homes in over-supplied price ranges.

Utilizing a National policy on mortgage qualification will have a more dramatic and negative effect on slow housing markets as opposed to that on heated markets. The reason for this is that slow, unhealthy markets are very sensitive to factors that affect the availability of capital, along with employment rates impact on borrowing capacity.

Canadian Imperial Bank of Commerce's Deputy Chief Economist, and member of the Economic Committee of the Canadian Chamber of Commerce, Benjamin Tal said he supports the principle of a stress test but believes it should be flexible and adjusted to account for interest rate moves and market conditions.

"It's not something that has to be set in stone. It should be more dynamic," he said. "You have to assess the damage to the housing market, whether that damage is too severe, and what other forces in the market are leading to slower growth.

In a later interview, he went on to say, "Is 200 basis points the right number? At the end of the day, there is no real science behind that number."

RECOMMENDATIONS

That the federal government:

1. Removes the stress-test for those who are merely trying to switch lenders to lower their interest burden, with no increase in risk, refinancing to reduce their total debt burden.
2. Remove the stress-test for those who are acquiring a mortgage in the same price range as their original mortgage.
3. Review the "one-size-fits-all" nature of this policy and create a more flexible benchmarks: The qualifying rate needs to be established utilizing criteria designed to account for real time market conditions, regional/community risk assessments and to allow for regional adjustments as unique community risks arise.

³⁰ Tal, Benjamin. "Mortgage Stress Test: The Operation Was a Success, But...." CIBC Economics, Apr. 2019, economics.cibccm.com/economicsweb/cds?ID=7069&TYPE=EC_PDF.

4. Lower the 200-basis points to a 75-basis point stress test, which achieves an appropriate protection to consumers in the event that rates rise, while not unduly pricing too many consumers out of the market place.³¹
5. OSFI should unify requirements for uninsured mortgages with those of insured mortgages, and to work with the Bank of Canada and the Department of Finance by implementing an independent mechanism that would see the benchmark set at approximately 75-basis points higher than commonly available market rates.³²
6. Provide a 30-year amortization option for first-time home buyers.

Submitted By: Sherwood Park & District Chamber of Commerce

Co-sponsored By: London Chamber of Commerce, Lethbridge Chamber of Commerce

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

³¹ Taylor, P. (2017, August 17). Re: Mortgage Professionals Canada Responds to Proposed Changes to Guideline B-20. Retrieved from [https://mortgageproscan.ca/docs/default-source/government-relations/osfib20finalsubmission_1502997452-\(5\).pdf](https://mortgageproscan.ca/docs/default-source/government-relations/osfib20finalsubmission_1502997452-(5).pdf)

³² Ibid

18. Allow for the creation of Agriculture REITs

DESCRIPTION

One of the biggest obstacles to the growth of the agriculture sector is the cost, fragmentation, and availability of farmland.

BACKGROUND

Arable farm-land in Canada is among the most productive and expensive in the world. According to the 2011 Census of Agriculture, the total value of farmland and buildings was estimated at \$276 billion. Of these assets, 74% were owned by farmers and 26% were leased. Throughout the years as technology and equipment has evolved the scale of the average farm operation in Canada has grown exponentially while the number of people doing the work has decreased. A 2016 Statistics Canada study found that the average age of a Canadian farmer is 55³³. More so than many other industries, farming is facing a massive demographic shift as an entire generation of farmers representing close to half the producers in the Country will be retiring in the near future. The 'family farm' remains a staple of Canadian agriculture, yet the trend towards large-scale, 'big-business farming' continues to grow as the immense value for land and equipment and difficulties around succession create significant hurdles for younger generations looking to take over the family farm.

Alongside the cost increases, advancements in technology and equipment have resulted in fewer farmers harvesting more land. The 2016 census showed there were 5.9% fewer farms and the average area per farm increased by 5.3%³⁴. The scale of farming leaves many farmers heavily leveraged, if they qualify for financing, and retiring farmers reliant on the sale of their property to fund retirement. Farms adjacent to urban areas are also facing increasing pressure from well-financed residential real estate developers. A 2018 Senate Report titled "A Growing Concern: How to Keep Farmland in the Hands of Canadian Farmers" explored these issues in detail and strongly endorsed the need for Federal Government initiatives (e.g.: Taxation exemptions) to address the growing challenges³⁵.

Real Estate Investment Trusts (REITs) have proven themselves to be an invaluable tool for investors and the renters of the properties they manage. In order to be listed in a public market, a REIT requires the highest standards of governance, reporting and due diligence to acquire and maintain approval from securities regulators. These requirements have lead to REITs emerging as a globally recognized brand with equivalents in most major economies, raising investor confidence, particular for institutional investors and pension plans³⁶. With access to public markets, REITs can raise high levels of capital along with the organization required to provide liquidity in what is typically a non-liquid market.

Canadian REITs were established in 1993 and excluded from the income trust tax legislation passed in 2007. This allows REITs several tax advantages, for example, compared to a traditional transaction, the sale of a property to a REIT allows tax deferral for unrealized income and capital gains. As of 2016, there were 48 public equity REITs with a market cap of over CAD 50 billion. Canadian REITs exist in the areas of commercial, office, industrial, residential, healthcare real estate, hotels, and even automotive

³³ <https://www.cbc.ca/news/canada/toronto/family-farm-aging-farmers-canada-1.4207609>

³⁴ <https://www150.statcan.gc.ca/n1/daily-quotidien/170510/dq170510a-eng.htm>

³⁵ Senate of Canada, A Growing Concern: How to Keep Farmland in the Hands of Canadian Farmers, 2018. <https://sencanada.ca/en/info-page/parl-42-1/agfo-rising-farmland/#collapse-item1>

³⁶ Grant Thornton, REITs as a Force for Good, November 2018. <https://www.grantthornton.ca/en/insights/REITs-as-a-force-for-good/>

properties, yet remain glaringly absent in the realm of agriculture. It is arguable that the highly stringent requirements on property holdings and income might not align with the nature of farming³⁷.

Agricultural REITs and leasebacks are already common practice in the United States, Russia, South America, Australia and certain markets in Eastern Europe, potentially offering Canadian regulators a substantial base of best practices.

As the rate of boomer generation of farmers continues to accelerate, many will be looking for options to sell or pass on their land. Selling to an agriculture REIT could be one of those options and would subsequently create a much more robust rental market for new farmers and established looking to expand. As agriculture REITs will benefit producers on the land, they will also benefit Canadian investors looking to invest in land and agriculture.

RECOMMENDATIONS

That the federal government:

1. Allow for the creation of Real Estate Investment Trusts for agriculture land through evaluation of the Income Tax Act to ensure regulatory requirements are aligned to the unique conditions of farmland and agricultural production.
2. For the Department of Finance Canada to continue to explore the adjustment of relevant tax measures, especially the lifetime capital gains exemption for qualified farm property to ease the acquisition and transfer of farmland.
3. Continue to work with relevant departments and Provinces towards implementing best technological and regulatory practices in the maintenance and growth of Canadian agricultural land use.

Submitted By: Red Deer & District Chamber of Commerce

THE AGRIFOOD AND AGRICULTURE POLICY COMMITTEE SUPPORTS THIS RESOLUTION.
THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

³⁷ Pachai, Samita, "Real Estate Investment Trusts In Canada" (2016). Electronic Thesis and Dissertation Repository. 3878. <https://ir.lib.uwo.ca/etd/3878>

19. Ensuring Imported Products Follow Food Safety and Quality Standards Applicable to Canadian Products

DESCRIPTION

Canada has established strict self-imposed requirements regarding food safety and quality and the use of several farm inputs such as antibiotics, growth hormones and pesticides in food products. The aim is to ensure the safe use of these farm inputs for Canadians.

BACKGROUND

The Canadian Food Inspection Agency (CFIA) is responsible for monitoring the safety of imported food products and ensuring compliance with the Safe Food for Canadians Regulations and the requirements established by Health Canada concerning the use of certain products and labeling, for example.

Recently, in order to address consumer health concerns, the Canadian government strengthened food industry requirements. More precisely, Health Canada announced its intention to limit the consumption of trans fats by gradually banning the use of partially hydrogenated oils (PHOs) in foods³⁸ and to modify front-package labeling for food products³⁹.

However, it seems that many products which contravene present regulations are crossing the borders due to lack of resources within the CFIA. While adding constraints, it is important to increase appropriate verifications and analyses to ensure that imported products follow the same requirements as domestic products. This is all the more important since the recently enacted free trade agreements (CETA, the CPTPP and soon the CUSMA) and the growth of e-commerce are bound to increase the number of imported products into Canada.

While Canadian regulations aim at improving the health of consumers, they create costs for companies that must comply with them. Consequently, harmonization is essential to ensure the competitiveness of the Canadian food industry. Moreover, complying with Regulations builds consumer trust and confidence in the industry, directly impacting its development.

RECOMMENDATIONS

Since Health Canada is increasing requirements for the food industry in support of better health and all states do not have the same requirements, we recommend that the CFIA:

1. Increase controls and inspections in order to check that imported products are subject to the same regulations and standards as Canadian products;

Since Canada's food industry contributes significantly to food quality because of the strict requirements, we recommend that the Government of Canada:

2. Implement a campaign to promote local products.

³⁸ Health Canada, Communiqué : <https://www.canada.ca/fr/sante-canada/nouvelles/2018/09/entree-en-vigueur-aujourd'hui-de-linterdiction-visant-les-gras-trans-au-canada.html>

³⁹ Government of Canada : Regulations Amending Certain Regulations Made Under the Food and Drugs Act (Nutrition Symbols, Other Labelling Provisions, Partially Hydrogenated Oils and Vitamin D) : <http://www.gazette.gc.ca/rp-pr/p1/2018/2018-02-10/html/reg2-fra.html>

Presented by: Chambre de commerce et de l'industrie Les Maskoutains

THE AGRIFOOD AND AGRICULTURE POLICY COMMITTEE SUPPORTED THE PRINCIPLE OF THE RECOMMENDATION AND THEN OFFERED A NUMBER OF CONTENT ADDITIONS TO THE BACKGROUND AND RECOMMENDATION SECTIONS THAT WERE ACCEPTED BY THE SUBMITTING CHAMBER. AS SUCH, THE COMMITTEE SUPPORTS THIS RESOLUTION UNCONDITIONALLY.

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

20. Canadian Food Inspection Agency Limits Export Opportunities for Canadian Business (2018)

DESCRIPTION

Canadian Food Inspection Agency (CFIA) recently put out a "What we Heard Report- consultations on maximum contaminant levels in Livestock". This document stated the proposed position on Exports has significant changes, are harmful to businesses and will have the effect of reducing trade opportunities by prohibiting the export of certain products to countries despite the fact that the products meet the importing country's requirements for import. Intervention in this process is needed to maintain current trade opportunities and protect the competitiveness of Canadian businesses.

BACKGROUND

The level of regulation is beyond that required for a safe food chain and imposes regulations at levels where there is no health risk, according to the past Chair of CODEX Alimentarius.

The proposed terms for exporting are:

- Be a CFIA license holder (for manufacturing)
- Have an export licence (from a CFIA presentation)
- Have a preventative control plan
- In accordance with documentation demonstrating that the importing country's requirements are being met.

If the importing country does not specify its own requirements, Canadian standards would apply. Many countries, including our largest trading partner, do not view certain contaminants as hazardous or a safety hazard, and do not have regulations or specifications. In many cases the country has made a conscious decision not to increase regulations in an area where they have determined that there is not a significant health risk. Imposing Canadian standards limits export opportunities and creates a negative impression of Canada in those countries who do not consider the issue to be a safety concern.

The CFIA's recently released documents include several proposals that are problematic, even devastating for Canadian businesses involved in the manufacturing and exporting. For Canada and the other countries mentioned in this resolution, the levels of contaminants in the food chain are very low.

Currently CFIA does not regulate exports since to do so would be imposing Canadian regulations and standards on products that another sovereign country wishes to import. Examples include where the United States, Australia, New Zealand and Japan have all determined that there should not be regulations on dioxins because the level of contaminants in the food chain is too low to be considered a health risk. Australia and New Zealand in their review, used the same dioxin levels in the food chain that Health Canada has adopted as being "tolerable levels" or the amount that could be consumed every day in a person's lifetime without risk, and determined that the levels in their food chain would not constitute a health risk.

The FDA in the United States also has taken a stand against the method used by CFIA as it is seen as arbitrary and can lead to less food/feed being available. The United States has determined that it will not set limits because the levels at which harm could occur have not been determined by CODEX. CODEX is an international organization that has been formed to advise governments. CODEX Guidelines

on the Application of Risk Assessment for Feed states that inclusion rates, bioavailability, background levels and transfer of hazard from feed to edible products all must be considered. CFIA has not considered these factors in their proposed regulations, but other countries do. For Canada and the other countries mentioned, the levels of dioxins in the food chain are very low. In Canada, the levels were 27% of the "tolerable level" in 1999, the last date Health Canada has calculated the level. The levels in meats and milk have declined since then, based Health Canada information published, and levels are expected to be well below the 1999 levels.

In their second report, 'Unleashing the Growth Potential of Key Sectors,' the Finance Minister's Advisory Council on Economic Growth noted that Canada has the potential to become the second largest agricultural exporter in the world. The Council identified a need to attract more foreign direct investment and use regulatory levers to remove obstacles to growth in the sector. Without amendment, these regulations will have the opposite effect by making it difficult for some livestock feed ingredient manufacturers to export to our largest trading partner and other countries who view the imposition of Canadian standards as an attempt to "preach" to another sovereign country. They may also incent Canadian companies focused on exporting a product that is no longer meeting Canada's new standards to shift their manufacturing to the country they export to. Many of these proposed changes are not in the best interest of industry or Canada. The issue is, should Canada set the standards for other countries or should other sovereign countries set their own standards and be allowed to import from Canada whatever products they wish to import.

As an example, the United States, through FDA, has determined that no limits are set for dioxins but will test when there is an issue ("find and fix strategy"). Under these proposals, Canada could prevent all shipments of products not meeting Canadian standards since USA does not have regulations governing this contaminant, even though FDA has reviewed the product and has determined it should continue to be allowed for use in the United States. The imposition of Canadian regulations on products being exported to sovereign countries that will set their own rules and regulations concerning imports is not an area in which CFIA should be involved.

There is significant concern that the licencing procedure, which in one document states it relates to having a preventative control plan and a recent presentation by CFIA that indicates that a separate licence will be required for export. The concern is that the licence will be a means of stopping production of products for export even where the importing country has no concern over the importation.

RECOMMENDATIONS

That the federal government:

1. Instruct CFIA to limit its enforcement and licencing policies to products sold in Canada for Canadian consumption and not apply Canadian Standards or licencing policies to products that are marked for export;
2. Allow all exports of products to countries where the product is accepted for import by another country keep exports from being regulated by CFIA.

Submitted By: Kamloops Chamber of Commerce

Co-sponsored By: BC Chamber of Commerce

THE AGRICULTURE & AGRIFOOD POLICY COMMITTEE DOES NOT SUPPORT THIS
RESOLUTION FOR THE FOLLOWING REASONS:

- This policy was defeated at the 2018 AGM and the policy has not changed substantially enough since last year's policy session.
- The potential precedent set by the adoption of using other countries standards as opposed to our own is problematic.
- It can be argued that there is a moral responsibility not to export products that are known to be harmful, even if there is a market for it and it will be filled by others.
- Science untainted by politics must be used to determine the safety of products.
- This could seriously damage Canada's brand and reputation for being a supplier of quality products.

21. Creating a New Pharmaceutical Industry in Canada (2019)

DESCRIPTION

A thriving pharmaceutical industry is growing poppies for medicinal use in the United Kingdom, Europe, and Australia, but not in Canada. This not only presents a large diversification option for the Southern Alberta agricultural sector but offers long term employment and growth opportunities for this and numerous other industries.

BACKGROUND

A new variety of poppy with high levels of thebaine can be used to produce prescription drugs such as oxycodone and codeine and does not contain the narcotic properties of traditional poppies.

With a thriving pharmaceutical industry growing poppy for medicinal use in the United Kingdom, Europe and Australia, Canada - as a major importer of these products – has not been involved in the growing of poppies. Additionally, Canada is the only G8 country that does not grow or process the raw materials for pharmaceutical processing. With Canadians purchasing over \$600 million in prescription medications derived from poppies in 2011, Southern Alberta has an opportunity to change this.

In 2014 alone, Alberta saw domestic exports in excess of \$ 121 billion. Of this figure, the U.S. accounts for 90.2%, or \$109.5 billion of Alberta's exports. Under trade agreements such as the North American Free Trade Agreement, this industry has the potential to serve a market in the U.S., in excess of \$5 billion thereby increasing net exports from Alberta as a whole.

Only a handful of locations have the ideal growing conditions for a high thebaine content poppy crop in our country. As such, this crop has the opportunity to provide Southern Alberta with a new industry through a diversification of the agricultural sector, as well as promote continued long-term job creation and stability.

As a hub for educational opportunities, Lethbridge and Southern Alberta is promoting innovation and diversification in all industries. A recent Memorandum of Understanding between the University of Lethbridge and the Lethbridge College has committed both institutions to furthering research opportunities in agriculture and agribusiness. Adding to the impact of education and research on agriculture, the Lethbridge Research and Development Centre is one of Canada's largest agricultural research facilities. Its location in the Southern Alberta market provides a suitable long-term strategy to ensuring growth and diversification in the agricultural industry.

Agriculture Canada, on the one hand, supported the project with a \$450,000 repayable loan in 2012 to establish poppy cultivation and develop the high-value crop. Private sector investment supplemented the government repayable loan which was supposed to be repaid using commercial poppy seed sales. Loan payments have been made since 2016 yet Health Canada has yet to grant the necessary licensing for commercial sales to begin.

It is critical for the federal government to allow the private sector to innovate and find new, value-added opportunities by using our soil, water, processing factories, and research scientists. Promoting the success of public-private partnerships in the growth and diversification of the Southern Alberta market will lead to a long-term sustainable economy.

The Alberta Chamber of Commerce supports the creation of a cluster of biological science industries that would match farm commodities with biotechnical research. This approach has the potential to stabilize the foreign exchange fluctuations that negatively affect the international competitiveness of many agricultural and manufacturing sectors.

RECOMMENDATIONS

That the federal government:

1. Facilitate and support the creation of a new pharmaceutical industry in Canada by recognizing the potential of farming and processing of high-level thebaine poppy in Canada for the pharmaceutical industry and allow for the commercial cultivation, gathering, and production of opium poppies for the development of a domestic pharmaceutical industry;
2. Expeditiously review applications through Health Canada and the Canadian Food Inspection Agency to allow for diversification and growth of this industry.

Submitted By: Lethbridge Chamber of Commerce

THE AGRICULTURE & AGRIFOOD POLICY COMMITTEE SUPPORTS THIS RESOLUTION

22. Ensuring the Long Term Competitiveness and Sustainability of Canada's Agrifood Industries

DESCRIPTION

Over the last few years, the federal government has commissioned an economic strategy and regulatory reform expert review, which have confirmed the agrifood industry's long-standing call for an intentional national strategy and regulatory reform to sustain and generate agri-food jobs and export growth. We urge the government to follow through by implementing the recommendation of these reviews.

BACKGROUND

Canada's large geography provides a diverse agricultural yield, including oilseed-rich cropland and beef production in the Canadian Prairies; corn, soybean, dairy and poultry production across Quebec in Ontario; the wide variety of fruits and vegetables grown in B.C., Quebec, Ontario and the Annapolis Valley; and the large fisheries on the east and west coasts. Canada's food production goes far beyond raw commodities—food and beverage processing is the largest manufacturing industry in the country, employing 246,000 Canadians.

As a result, Canada is the fifth largest agricultural commodity exporter. In addition, Food and beverage manufacturing contributes more to GDP and employment than any other manufacturing sector in this country and is the number one manufacturing sector in most provinces.

In 2016, Canadian food and beverage manufacturing shipments were worth just over \$112 billion. Canada's potential for growth in the agri-food sector was accounted by the Economic Strategy Tables Agri-Food report, which challenged the sector to expand domestic sales to \$140 billion and export sales to \$85 billion by 2025. That's a 30 percent increase over the next seven years to grow on its current position as the 11th largest exporter for manufactured food products in the world. Canada has built this brand for itself while ensuring one of the safest food systems in the world.

However, a build-up in the complexity and inconsistency of regulatory processes over time has created an environment that can inhibit the sector's competitiveness and ability to take advantage of new global opportunities. These challenges are amplified by a regulatory misalignment between federal departments and agencies, between provinces within Canada, and between Canada and the U.S as the largest export destination and host of a highly integrated North American supply chain. More prominently, under Health Canada's Healthy Eating Strategy, the industry has been subjected to a series of regulations regarding Front of Package Labeling, a new Canada Food Guide followed with several additional costs under the Pan Canadian Climate Change Framework.

These provisions are particularly challenging for small and medium organizations who typically lack the resources to participate in government consultations, regulatory design and subsequently onerous enforcement and monitoring activities by government departments.

Collectively, concurrent regulatory changes are straining the resources of regulators and industry to fully understand the cumulative implications of these revisions, especially when the former is primarily obligated to prioritize health, safety and environmental impacts and not economic outcomes.

The impact was recently illustrated within a recent report by the Food and Consumer Products of Canada that cited that even when innovations are brought to market in Canada, they are not made in Canada: in 2017, 83% of new products were neither developed nor manufactured in Canada with plants currently producing only half of all products sold domestically, with a loss of almost 22,000 employees between 2013-2017 and one of the lowest profit margins amongst manufacturers (4.4%) and multinational counterparts⁴⁰. Canadian farmers are also facing significant cost pressures, with the Realized net farm income —defined as the difference between farm cash receipts and operating expenses, minus depreciation plus income in kind — dropping 45.1 percent in 2018 to \$3.9 billion according to Statistics Canada⁴¹. A large portion of the decline was attributed to cost increases attributed to feed, interest and labour, together with little overall change in farm cash receipts.

The aforementioned Economic Strategy Report, despite having strong confidence in the potential of the sector, offered a sobering wake-up call for government with specific policy proposals to create a more competitive operating environment for Canadian food companies⁴².

To their credit, the Government has taken some steps, with the Treasury Board Secretariat initiating a three-year targeted regulatory review process to examine the requirements and practices in the agri-food sector, followed with an allocation of \$219 million for the Canadian Food Inspection Agency, Health Canada and Transport Canada to focus on Regulatory RoadMaps with Agriculture & Aquaculture as one of the three identified sectors.

However, much more needs to be done to address and prioritize the recommendations of the Government's Expert Panel reports and concerns raised by agrifood manufacturers, producers and related stakeholders over the last decade. The sector should be a high priority, especially in light of Canada's entry into trade agreements like CPTPP, CETA, USMCA and future negotiations with the Pacific Alliance and ASEAN. For Canadian exporters to compete in the increasingly global market while overcoming ongoing issues with non-tariff trade barriers in foreign markets, the local economy must have the right conditions to sustain and grow the agrifood industry.

RECOMMENDATIONS

That the federal government:

1. Implement the recommendations of the Agri-food Economic Strategy Table's Report.
2. Conduct a comprehensive cost-benefit analysis on the cumulative impacts of newly proposed regulatory changes that will affect Canada's agri-food industry, by incorporating a broader competitiveness impact on local manufacturing capacity, transnational supply chains, trade agreements and export market alignment.
3. Make the targeted regulatory review of the agri-food sector a permanent, ongoing-model for regulatory modernization.
4. Pass legislation to make regulatory efficiency and economic growth a permanent part of regulators' mandates, including Health Canada, the Canadian Food Inspection Agency, and Environment and Climate Change Canada.

⁴⁰ Food and Consumer Products of Canada, Industry Sustainability & Competitiveness Study, https://www.fcpc.ca/Portals/0/Userfiles/PAResources/Public%202019/FCPC%20Industry%20Sustainability%20Study_v1.pdf?ver=2019-04-23-121158-917×tamp=1556036554242

⁴¹ Statistics Canada, Farm Income 2018, Table 32-10-0049-01, <https://www150.statcan.gc.ca/n1/daily-quotidien/190528/dq190528a-eng.htm?CMP=mstatcan>

⁴² Agri-food Economy Strategy Table, The Innovation and Competitiveness Imperative: Seizing Opportunities for Growth, September 2018, [https://www.ic.gc.ca/eic/site/098.nsf/vwapj/ISED_C_Agri-Food_E.pdf/\\$file/ISED_C_Agri-Food_E.pdf](https://www.ic.gc.ca/eic/site/098.nsf/vwapj/ISED_C_Agri-Food_E.pdf/$file/ISED_C_Agri-Food_E.pdf)

5. Undertake a comprehensive evaluation and reform of the Temporary Foreign Worker Program, with a view towards streams addressing chronic labour market needs of the Agrifood Sector.
6. Bolster an open and rules-based approach to trade by enhancing participation and recognition of international CODEX and MRL systems for pesticide management within trade agreements and otherwise.
7. Ensure that there are adequate supports and consultation with SMEs in the Agrifood sector in the development and enforcement of existing and new provisions under the Food and Drug Act.
8. Evaluate whether innovation and commercialization support programs under the Department of Industry, Science and Economic Development (ISED), like the Strategic Investment Fund (SIF), IRAP, and Tax Credits etc are serving the unique needs of Canadian Agrifood industry.

Submitted By: The Agriculture & Agrifood Committee, Canadian Chamber of Commerce

23. Expanding Canada's Export Capacity through Harmonizing Agri-Food Cross-Border Trade Regulations with the US

DESCRIPTION

The ability for Canada's agri-food industry to swiftly and efficiently deliver their product to cross-border markets is hampered by cross-border trade inefficiencies.

BACKGROUND

The United States is Canada's largest trading partner, and is the strongest economy in the world with C\$23.79 trillion or 25% of the world's gross domestic product (GDP). The United States and Canada enjoy the largest bilateral trading relationship in the world. Bilateral trade creates jobs and economic opportunities in both the United States and Canada. The two countries share approximately C\$47 billion worth of agricultural trade annually, building on our proficiencies and creating a more competitive and integrated agri-food sector. It is clear that some of these different regulatory challenges can and do limit smooth cross border movement however, the Canada/US agri-food trade is Canada's largest bilateral relationship.

For Canada/US cross border trade, it is critical that the scarce public and private resources focus increasingly on those product shipments not in line with border measures. This should, in turn, result in allowing greater amounts of trade-including agri-food trade, to flow more easily. These day-to-day operational challenges tend not to be reflected in trade policy analyses, but they do affect overall product movements between the two countries, and ultimately the competitiveness of those traded products.

On February 4, 2011 the Canada-United States Regulatory Cooperation Council (RCC) was created to facilitate closer cooperation between Canada and the USA with the objective to develop more effective approaches to regulation in order to enhance economic strength and competitiveness of both countries.

In June, 2018, Canada and the U.S signed a Memorandum of Understanding to ensure that the regulations continue to apply. This MOU also establishes a foundation for the ongoing work and growth of the RCC, which is a proven bilateral forum for resolving regulatory barriers and improving business investment between the two countries.

As an exporting nation, Canadian businesses are dependent on smooth, fast and free trade. The RCC is an essential program for identifying impediments to trade across numerous sectors. Canadian businesses are sure to see tremendous benefit when RCC recommendations are implemented. Both Prime Minister Justin Trudeau and President Trump have committed to a strong U.S. – Canada working relationship.

RECOMMENDATIONS

That the federal government:

1. Recommit to the principles of the Canada-United States Regulatory Cooperation Council (RCC) in its initiative to harmonize regulatory requirements and practices on agri-food

products between Canada and the United States of America with a specific focus of eliminating the re-inspection of agri-food.

Submitted By: Guelph Chamber of Commerce

Co-sponsored By: Surrey Board of Trade

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

24. Supporting Supply Management Sector Farmers and Processors Following the Conclusion of Trade Agreements

DESCRIPTION

In the 2019 budget, the federal government promised to compensate dairy, poultry and egg producers for their loss of market share during and after the enactment of CETA and the CPTPP with financial aid totalling \$3.9 billion, including \$2.15 billion in new direct money. The food industry is also requesting that commitments related to compensation for the CUSMA be carried out as soon as possible.

Similarly, the government must announce support measures for dairy processors to compensate them for losses incurred in connection with trade agreements and allow them to adapt more quickly to an evolving and competitive environment.

BACKGROUND

The Canadian supply management system was put in place at the beginning of the 1970s in order to stabilise producer revenues and consumer prices. Five production sectors are subject to supply management, including the dairy product sector (cattle).

Supply management has three elements: production control through quotas, price setting and import controls through tariff quotas.

Canada has always given supply managed products minimum access to the Canadian market. All imports of dairy product, poultry and eggs which are in excess of limits established by the various quotas are subject to high tariffs which make them uncompetitive relative to their local counterparts.

This policy aims to protect Canadian producers by preventing the market from being flooded by cheaper foreign products. The challenge is huge. Supply management affects more than 6,900 agricultural businesses in all areas of Quebec. These farms generate more than 90,000 jobs and represent more than 40% of total provincial farm revenues.

In addition, it should be pointed out that supply management provides support to agricultural producers and helps them avoid the consequences of market fluctuations without the need for subsidies.

Following the conclusion of new trade agreements with the European Union, trans-Pacific partnership member countries, Mexico and the United States, this access is now broadened especially in the case of dairy products.

RECOMMENDATIONS

Given the dairy industry's importance within the farm production and food processing sectors in Canada and the role of these industries as economic drivers for several Canadian regions, and since the federal government intends to pursue its partnership with supply management stakeholders, in order to limit the repercussions of the agreements for producers and processors, it should:

1. Implement as soon as possible additional mitigation and compensation measures for the farm sector involved in supply management to limit the CUSMA's negative consequences for

producers and processors, in addition to measures in response to CETA and the CPTPP announced in the 2019 budget;

2. Revise import quota allocation mechanisms to minimize their impact on the industry.

To ensure that the financial aid announced in the 2019 budget is distributed quickly and fairly:

3. Clarify the dairy producer compensation program criteria and implement a payment system to be applied with diligence;
4. Also grant fair compensation measures to supply managed processors, in terms of the relative impact of trade agreements on each subsector;
5. Mitigation measures should be calculated according to the net current value of perpetual losses and be structured in such a way that provincial producers and processors receive their fair share, so they are paid as a pro rata of Canadian production volumes.

Presented by: [Chambre de commerce et de l'industrie Les Maskoutains](#)

Cosponsored by: [La Chambre De Commerce De La Grande Région De St-Hyacinthe](#)

Human Resources, Immigration and Skills

25. Access to Labour: Ensuring a Strong, Sustainable Tourism Sector

DESCRIPTION

Modifications to the Canadian Temporary Foreign Workers Program will serve to meet the needs of employers, while ensuring that Canadians remain first in line for available jobs and that foreign workers are protected. The industry has proven itself as a national economic force; in 2018, Canadian tourism achieved more than \$100 billion in revenues, an increase of 5.2% over 2017.⁴³

The Canadian tourism sector represents more than 2% of Canada's gross domestic product, and supports more than 1.8 million jobs in Canada, more than half of which are in rural areas of the country.

BACKGROUND

Delivering on Bold Targets

Canada's new tourism sector strategy - Creating Middle Class Jobs: A Federal Tourism Growth Strategy⁴⁴ – sets out ambitious targets for the country's tourism sector. By 2025, the industry is targeted to reach:

- Revenues of \$128 billion, an increase of 25%;
- 54,000 new tourism jobs, an increase of 7.3%; and
- Growth in the visitor economy to outpace growth of the national economy.

The Canadian Chamber of Commerce applauds the inclusion of labour as a crucial component of this new tourism strategy.

The Importance of Seasonal Labour

British Columbia's tourism sector struggles to access temporary labour to meet existing demand, including seasonal employment in rural and remote regions. In 2018, there were 302,700 jobs in the BC tourism and hospitality sector. The 2018 BC Labour Market Outlook projects 106,000 additional tourism and hospitality job openings – approximately 10,000 each year – between 2018 and 2028. It is projected that local new entrants to the sector will fill 50% of those openings, with 35% projected to come through interprovincial and international migration. This leaves a significant gap of 15%.

As Canadian communities are empowered under the new strategy to create distinctive experiences and attractions that play to their strengths, the ability to efficiently and effectively source temporary seasonal labour will be critical.

Background

Canada's Temporary Foreign Worker (TFW) Program

⁴³ https://www.destinationbc.ca/content/uploads/2019/02/Pages-from-2017-Value-of-Tourism_Snapshot_FINAL.pdf

⁴⁴ <https://www.ic.gc.ca/eic/site/134.nsf/eng/00003.html#s7>

Introduced in 1973, the Government of Canada's Temporary Foreign Worker Program or TFWP was designed to allow employers in Canada to hire foreign nationals. At launch, the program primarily centred on highly skilled workers. A "low-skilled workers" category was introduced in 2002 and has usurped higher-skilled labour as the major component of labour sourced through the program.

Recent History

Now known as the Temporary Foreign Worker (TFW) Program, several iterations have introduced both expansions and contractions of the system. In 2006, the program was expanded to fast-track applications for locations with severe labour shortages.

Revised again in 2014, the program was amended to raise wages, introduce employer fees, and remove accelerated application processes in order to manage the perceived abuse of the program by a small number of employers.

Federal and Provincial Consultations

Following its commitment in Budget 2017, the Federal Government began a review of industry sectors – including tourism – that are heavy users of the current TFW Program. During round tables in Vancouver with the Federal and Provincial Ministers of Tourism, access to temporary foreign labour was identified as a critical barrier to tourism sector sustainability, with specific industry consultation occurring in 2018 in partnership with Tourism HR Canada and Employment and Social Development Canada.

RECOMMENDATIONS

The Chamber recommends the following minor modifications to the TFW Program. These modifications are aligned commitments under the new Federal Tourism Growth Strategy to consider improvements to TFW Program service delivery.

1. Reduced minimum advertising periods of 2 weeks for roles and regions where there is a demonstrated lack of domestic labour supply and regional unemployment rates are lower than 5%.
2. An expansion of applications eligible for ten-day expedited processing to include applications with employment durations of six months or less to match the need of the sector as a specific stream of TFW visas. This is necessary given the demonstrated shift of visitation in many resort communities across all four seasons. Through the extension, staffing would be ensured for the entirety of peak season and transitional period between.
3. A review of screening processes to ensure that decisions with respect to completeness of applications are made by staff responsible for application review. This will enhance procedural fairness for applications that meet all requirements and contribute to timely processing.

Submitted By: Whistler Chamber of Commerce

THE IMMIGRATION COMMITTEE SUPPORTS THIS RESOLUTION.

26. Addressing Labour Shortages through the Integration of Newcomers via Better Language Training Supports

DESCRIPTION

English and French are the languages of business in Canada, and to fully participate in our economy people need to be able to function comfortably in one of them. Understandably, newcomers to Canada may not be proficient in either language which can undercut their integration into the community and delay their success in the workforce. While language training programs are effective ways of helping newcomers improve their language skills, government programs are often over-subscribed with long waitlists. In addition, only some program providers offer free childcare or childminding services, a critical element that allows newcomers, especially women, to avail themselves of these services.

BACKGROUND

The business community is already facing a labour shortage and the number of job vacancies is only expected to rise. In BC, for example, the BC Chamber's Mindreader Report – Labour Market Issues in British Columbia uncovered that "2/3 of BC businesses report having had positions that were difficult-to-fill in the past year" and "employers in most regions and industries of the province are challenged with recruiting."⁴⁵ And in the BC Chamber of Commerce's 2018 Collective Perspective Survey, 61% of businesses say that the availability of workers has only worsened over the past year.⁴⁶ As for job openings, the 2018 BC Labour Market Outlook forecasts that "there will be 903,000 job openings over the next 10 years" which cannot be filled simply with domestic labour joining the workforce.⁴⁷ But this issue is not limited to BC, it is a national concern. A recent report from the Business Development Bank of Canada finds that "40% of Canadian small and medium-sized businesses are already having difficulty hiring new employees" and forecasts continued labour shortages for Canada as a whole for at least another decade, with a near zero growth rate.⁴⁸

Immigration is and will be a pivotal solution in addressing our labour needs, and therefore it is imperative that all newcomers be given the tools to fully participate in our economy, starting with language skills. A lack of proficiency in English or French can hold newcomers back economically. For example, in a review of recent census data, Associate Professor of Economics with the University of Calgary Arvind Magesan found that while the wage gap between native-born Canadians and newcomers is 16%, it is only 5.8% for newcomers who speak English at home (a good measure of English proficiency) and fully 27.3% for those who do not.⁴⁹ And it is reasonable to expect similar positive impacts for French language proficiency.

The Government of Canada funds the Language Instruction for Newcomers to Canada (LINC) and Cours de langue pour les immigrants au Canada (CLIC) programs throughout the country, and it is delivered locally by various settlement services providers. LINC/CLIC classes are provided free of

⁴⁵ BC Chamber of Commerce Mindreader Report – Labour Market Issues in British Columbia, The British Columbia Chamber of Commerce, 2018. Accessed online:

<http://www.bcchamber.org/sites/default/files/Final%20MindReader%20Labour%20Market%20Report%2008.21.2018.pdf>

⁴⁶ 2018/19 BC Chamber of Commerce Collective Perspective Survey, The British Columbia Chamber of Commerce, 2018. Accessed online: <http://www.bcchamber.org/sites/default/files/BC%20Chamber%20CP%202018%20FINAL.pdf>

⁴⁷ British Columbia Labour Market Outlook: 2018 Edition, Government of British Columbia, 2018. Accessed online: https://www.workbc.ca/getmedia/1dce90f9-f2f9-4eca-b9e5-c19de9598f32/BC_Labour_Market_Outlook_2018_English.pdf.aspx

⁴⁸ Labour Shortage Here to Stay, Michael Cocolakis-Wormstall, Business Development Bank of Canada, September 2018

⁴⁹ Closing the immigrant wage gap: Is speaking English important?, Arvind Magesan, The Conversation. October 25, 2017. Accessed online: <https://theconversation.com/closing-the-immigrant-wage-gap-is-speaking-english-important-84891>

charge to permanent residents or convention refugees, 17 years of age or older. LINC/CLIC classes provide basic language training that will help newcomers with daily activities and also with finding employment.

However, settlement services providers report continued and regular waits of several months for LINC/CLIC classes, which delay the ability for newcomers to access this language training. If newcomers are forced to wait months to even begin language training, this unnecessarily delays their ability to join the workforce, and can cause undue economic hardship as those newcomers are unable to access employment and generate income for a longer period of time.

In addition, there is an exacerbating element which further prevents women from accessing LINC/CLIC classes: childcare. For many newcomers, particularly women, they require childcare services to be able to take advantage of LINC/CLIC classes. And while some program providers do offer free childcare alongside the classes, it is limited to certain sites or certain hours of operation, and the waits for these programs are reported by service providers as significantly longer. This lack of childcare means that women, who are in many instances the caregivers for children, are sometimes unable to take LINC/CLIC classes and thus have greater difficulty integrating and joining the workforce. Funding for childminding is delivered separately from funding for LINC/CLIC, but as it addresses an important barrier to use of these programs, it should be prioritized and provided in tandem with funding for these language training programs.

RECOMMENDATIONS

That in light of the economic imperative of fully and quickly integrating newcomers into the workforce to address ongoing labour shortages, the Federal Government:

1. Prioritize additional funding for the Language Instruction for Newcomers to Canada (LINC) and Cours de langue pour les immigrants au Canada (CLIC) programs to reduce and eliminate waits.
2. Prioritize additional separate funding for childcare and childminding services offered in conjunction with language training to allow more equal opportunities for women to avail themselves of these language supports.

Submitted By: Burnaby Board of Trade

THE IMMIGRATION POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

27. Adjust Immigration, Refugees and Citizenship Canada (IRCC) Services to Better Meet Regional Newcomer Settlement Patterns

DESCRIPTION

Immigration, Refugees and Citizenship Canada (IRCC) facilitates the arrival of immigrants, provides protection to refugees, and offers programming to help newcomers settle in Canada. IRCC offices are located in almost all provinces, and the federal department offers some temporary offices across Canada. However, even if certain IRCC services are offered with temporary offices, multiple regions are under-served. Some of these under-served regions, however, are at the forefront of welcoming new Canadians and to continue to retain these newcomers, they require a full range of IRCC services.

BACKGROUND

The demographic changes facing Canada's labour market in the coming decades point to an important contributing role for immigration. In multiple jurisdictions across Canada, regions welcomed important groups of new Canadians in the past five years. Permanent IRCC offices are located in almost all provinces, with the exception of Prince Edward Island.⁵⁰ The provinces and territories of Alberta, British Columbia, Manitoba and Nunavut, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, and Saskatchewan have access to permanent offices in one or multiple locations. IRCC also offers some citizenship and immigration services at temporary offices across Canada.⁵¹ These offices are set up in different regions at scheduled times. Services may include citizenship tests, citizenship interviews (hearings with a citizenship judge or interviews with a citizenship officer), citizenship ceremonies, and immigration interviews (including permanent resident card distribution). Although services are offered in certain regions of the country with temporary offices, multiple regions are not covered.

Some regions, however, are at the forefront of welcoming new Canadians. In New Brunswick, Greater Moncton welcomed important numbers of immigrants to its region. The population growth of the Greater Moncton region is linked more and more to immigration. In the past three years, Canadian Census data shows that Greater Moncton Census Metropolitan Area welcomed an average of 1,480 newcomers per year. During the same period, an average of 2,516 newcomers settled in Charlottetown, Prince Edward Island. The Census Metropolitan Area of Sherbrooke, Quebec, received an average of 1,930 newcomers per year from 2016 to 2018. And Kingston, Ontario greeted 1,806 per year in 2016, 2017 and 2018. These four regions have only access to a temporary office with limited IRCC services. Four other similar regions⁵² have also welcomed an average per year in excess of 1,000 newcomers from 2016 to 2018. Peterborough, Ontario (1,362), Kamloops, British Columbia (1,305), Guelph, Ontario (1,070), and Saint John, New Brunswick (1,008) have similar population gains through an influx of newcomers. Yet these regions cannot offer newly-arrived immigrants the same level of services as other cities or regions.⁵³

New Canadians must sometimes travel to other cities than the one where they are settling to be able to have access to all the services offered by IRCC, vital services they need to settle and integrate. Many

⁵⁰ <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/contact-ircc/offices/canada-appointment-only.html>

⁵¹ <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/contact-ircc/offices/find-temporary-offices.html>

⁵² Population estimates as of July 1. Sources: Statistics Canada, CANSIM tables 051-0001 and 051-0056.

⁵³ Immigrants and non-permanent residents by year - Urban centres in Canada (CMAs/CAs) Statistics Canada Tables 17-10-0135-01 and 17-10-0136-01

new Canadians do not have access to transportation, have limited knowledge of our official languages when they arrive, and sometimes have limited financial resources. To ensure maximum retention across Canada, IRCC should adjust its services to better serve newcomers in the communities where they settle.

RECOMMENDATIONS

That the federal government:

1. To better meet the needs of new immigrants, IRCC should open satellite offices with a full range of services in regions or cities where the intake of newcomers over the past three-year period averaged at least 1,000 newcomers in population growth per year.
2. That no existing IRCC offices be negatively impacted by this expansion of federal immigration services.
3. That the usage of technology be considered in these new satellite offices to offer a wider range of services while not sacrificing a physical presence in regions where newcomers need help.

Submitted By: Greater Moncton Chamber of Commerce

THE IMMIGRATION POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

28. Canada's Basic Skills Shortfall

DESCRIPTION

Work is changing due to automation and globalization. Literacy is not just the ability to read, it is the ability to read and understand well and then apply what has been read to a range of problems. According to international literacy assessments, more than 40% of Canada's workforce do not have adequate levels of the literacy skills needed to learn efficiently and be highly productive in most jobs. Without this ability, many Canadians will not be able to keep their jobs – or find new ones – and a growing number of employers will not be able to find workers with the skills they need.

BACKGROUND

Work is changing due to automation and globalization. Literacy is not just the ability to read, it is the ability to read and understand well and then apply what has been read to a range of problems. According to international literacy assessments, more than 40% of Canada's workforce do not have adequate levels of the literacy skills needed to learn efficiently and be highly productive in most jobs. Without this ability, many Canadians will not be able to keep their jobs – or find new ones – and a growing number of employers will not be able to find workers with the skills they need.

This issue will create a skills gap as employers cannot find workers, and employees will be unable to find jobs. Literacy levels of younger generations are going down overall, and skills become rusty with age through lack of use. The lack of available training tied to industry needs for adult workers compounds the problem. The problem is getting worse. Increasing the literacy skills in the workforce by an average of 1% would over time lead to a 3% increase in GDP or \$54 billion per year, every year and a 5% increase in productivity. Literacy scores and the level of skills for young people have been visibly on the decline.

There is a need for greater investment in literacy and numeracy at all age levels beginning with the 16-25 age demographics. Therefore, public schools and post secondary institutions must have adequate funding to test and improve literacy and numeracy scores. Skill loss occurs at a higher rate later in life. Ensuring that regional public and post-secondary institutions allow for adults to upgrade their skills would be instrumental in preserving skills and reducing the skill gap shortage.

Ryerson University, the Conference Board of Canada and Blueprint ADE are working together to run Canada's Future Skills Centre at arm's length from the Government of Canada. Located on Ryerson University's campus, the Future Skills Centre will support community-based projects across Canada, in all provinces and territories, and be responsive to regional differences. There has been an access issue for in-demand skills and training for service providers, employers, governments, and community groups; the Future Skills Centre fills this gap.

The Centre will be partnering with and funding projects that are led by groups such as provincial and territorial governments, Indigenous governments, for-profit organizations, and not-for-profit organizations to:

- help Canadians make informed training decisions by identifying emerging in-demand skills required now and in years to come;
- help Canadians gain the skills they need to adapt and succeed in the workforce by increasing access to quality training; and

- share results and best practices across all sectors and with Canadians to support investment in the skills needed to be resilient in the face of change now and into the future.

Jobs in the changing economy demand even higher levels of literacy

Technology is taking over many routine tasks leaving higher-level, more complex, interactive tasks to humans. While specific technical skills are a requisite to being hired for existing and newly created jobs, the capacity to adapt to and use changing technology and processes is also necessary. Employers are increasing the skill level demanded by their jobs to maintain competitiveness in the global economy. Manufacturing, for example, is becoming much more skill intensive, for technical and cognitive skills.

The pace of change that the industry is experiencing, combined with global competitive pressures, means that manufacturers will continue to expect more from their employees. Essentially, manufacturers need skilled workers who have the ability to master new, advanced technologies, work in highly collaborative team environments, use critical thinking and problem-solving skills, adapt to ever changing environments, and embrace an attitude of never-ending learning.

Training is lowest for those who need it most

The 2003 International Adult Literacy and Life Skills Survey (IALSS) looked specifically at the number of people who were involved in adult learning and training in 2002. The survey found that, in Canada, just 20% of people, who had low skills and were in low-skilled jobs were involved in a course or program, and this is 10 percentage points lower than Norway, Switzerland and the United States. Over 60% of high-skilled people in high-skilled jobs in Canada participated in adult education and training – again, Canada was 10 percentage points lower than the United States (which is also troubling for productivity of our most skilled workers). Employer-financed training was highest for people who had higher-level skills and were in high-skilled jobs – 35% compared to 7% for lower-skilled people in low-skilled jobs. Employers were more likely to fund training for people with lower skill levels who were in higher-skilled jobs, but still, only 25% of them received employer-funded training of any kind in the previous year.

RECOMMENDATIONS

That the Government of Canada in coordination with the Provincial and Territorial Governments:

1. Build and implement competency frameworks to identify skill levels and competencies required by jobs in the economy and embed literacy in all workforce training and education initiatives;
2. Mandate the new Future Skills Centre to include cognitive skills in its research and implementation programs; and,
3. Ensure that each of our province's K-12 and post-secondary institutions offer an adequate number of opportunities to learn and upgrade their literacy, numeracy, problem-solving skills & other essential skills.

Submitted By: Regina & District Chamber of Commerce

Co-sponsored By: Surrey Board of Trade, Greater Charlottetown Area Chamber of Commerce

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.

29. Data Collection in the 4th Technological Revolution: Focusing On the Skills & Training Needs of Canadian Businesses

DESCRIPTION

The cost is high if we don't get the right data on the future of the Canadian job market. The 4th technological revolution will 'fundamentally alter the way we live, work, and relate to one another'⁵⁴ as it blurs the lines between the physical, digital and biological worlds⁵⁵. The jobs we currently have may not be around in ten years. If they are still here, they may have become automated and require a new set of skills to design, program and control. If we don't ask the right questions to the right people, we may have a skills mismatch that leads to a supply that does not meet demand, negatively affecting Canada's economy. Businesses should be the primary research group; they are the most adept at knowing what their business will need.

BACKGROUND

Canada's labour market is going through a period of transition. While much of the conversation has focused on our aging population and what challenges it will bring to our workforce, there is also another important shift happening. Skills and training, as automation, income inequality and globalization push us into the 4th technological revolution⁵⁶, will need to evolve to meet the demands of new Canadian jobs and the economy. How do we know what the new jobs will be? How do we ensure Canadian youth are trained and skilled for these new jobs? Our guess is that better 'data will help us to target the country's skills-development efforts, and support the development of a more inclusive, innovation-driven economy'. It appears that much of this data is not being driven by direct contact with Canadian businesses. We see research in post-secondary institutions, governmental departments and think-tanks focusing on the wider set of global trends⁵⁷.

The federal government is utilizing the Future Skills program, which is a government plan to ensure that Canada skills developmental programs and policies are prepared to meet Canada's changing needs. We question whether they are spending enough resources reaching out to employers, the ones who will need to utilize the new skills coming out of the 4th technological revolution. We believe Canadian businesses are in the position to know what jobs will need to evolve or change completely. In a survey to our members, 94% of businesses said they had not been contacted by the government, think-tanks or research groups (outside of the Halifax Chamber) to ask about the skills and training they will need as their business evolves over the next decade. This is concerning.

The federal government should be ensuring that those researching the jobs of the future are doing so through discussions with the Canadian business community. The knowledge they possess should then direct governmental funding for programs and services aimed at the skills and training for the future.

RECOMMENDATIONS

That the federal government:

⁵⁴ <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

⁵⁵ IBID

⁵⁶ <https://brookfieldinstitute.ca/news-release/employment-in-2030-skills-for-the-future-of-canadas-labour-market/>

⁵⁷ IBID

1. Ensure Statistics Canada survey, collaborate and consult with Canadian businesses in research on the 4th technological revolution and review of what skills and training they believe will be required for future jobs.
2. Ensure Statistics Canada and other governmental programs focus on the collection of data in collaboration with Canadian businesses to create programs and funding opportunities for Post-Secondary Institutions to enable the workforce of the future.

Submitted By: Halifax Chamber of Commerce

Co-sponsored by: West Prince Chamber of Commerce

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.

30. Encouraging and Supporting More Women on Corporate Boards

DESCRIPTION

Canada continues to lag the rest of the developed world in terms of gender diversity in our corporate boardrooms.⁵⁸

The most recent review by the Canadian Securities Administrators shows that overall representation of women on boards stands at 15%⁵⁹, and recently released Statistics Canada data show that a majority of companies have one or fewer female directors.⁶⁰ However, while the business case may be clear, most Canadian firms have made small progress in welcoming more women into these positions and there are policy solutions which could help facilitate this needed change.

BACKGROUND

The predominance of research regarding this issue suggests that companies which have more female board directors perform better, with greater gender diversity on boards being linked to everything from better returns on equity, higher stock prices, to overall better financial returns.⁶¹

Studies have found board gender diversity to be “empirically associated with higher returns on equity, higher price/book valuations and superior stock price performance,”⁶² and that “companies in the top quartile of gender diversity were 15 percent more likely to have financial returns that were above their national industry median.”⁶³ The business case for having women on corporate boards is clear and their continued under-representation is likely costing us economically; it should be a priority to encourage and support more women to serve on boards.

Current Comply-or-Explain Regulations

In recent years securities regulators in eight provinces and three territories have adopted “comply or explain” regulations that require “reporting non-venture issuers”⁶⁴ annually disclose the number and proportion of women occupying board and executive positions, as well as disclose their corporate policies regarding:

- term limits for the directors on its board or other mechanisms of board renewal
- the identification and nomination of women directors

⁵⁸ Catalyst, Gender Diversity on Boards in Canada, (Ontario, Canada: Queen's Printer for Ontario, 2016)

⁵⁹ CSA Multilateral Staff Notice 58-310, Report on Fourth Staff Review of Disclosure regarding Women on Boards and in Executive Officer Positions, (September 28, 2018)

⁶⁰ “Women hold less than 20% of positions on corporate boards, StatsCan finds”, Melissa Bennardo, CBC News, May 7, 2019. Accessed online: <https://www.cbc.ca/news/business/statistics-canada-women-corporate-boards-1.5125995>

⁶¹ Catalyst, The Bottom Line: Connecting Corporate Performance and Gender Diversity, (New York: Catalyst, 2004); Credit Suisse Research Institute, The CS Gender 3000: Women in Senior Management (Zurich, Switzerland: Credit Suisse Research Institute, 2014); McKinsey & Company, Diversity Matters, (McKinsey & Company, 2014)

⁶² Credit Suisse Research Institute, The CS Gender 3000: Women in Senior Management (Zurich, Switzerland: Credit Suisse Research Institute, 2014);

⁶³ McKinsey & Company, Diversity Matters, (McKinsey & Company, 2014)

⁶⁴ A “reporting issuer” means a company whose securities are publicly-traded and has issued securities/stocks/shares. A “non-venture issuer” is a reporting issuer that has its securities listed/quoted on any of the Toronto Stock Exchanges, a US marketplace or any marketplace outside of Canada/US. In Canada, “venture issuers” tend to be junior companies listed instead on the TSX Venture Exchange or the Canadian Stock Exchange.

- whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board
- whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments
- whether the issuer has adopted a target regarding women on the issuer's board and in executive positions

Companies which do not have such policies must explain why they have not been adopted, a regulatory model known as “Comply-or-Explain.” Comply-or-Explain regulations are able to shed light on the issue of gender diversity and encourage behavior change by the business community by forcing discussion and consideration of the issue.

In addition, the federal government is currently working on regulations stemming from the 2018 amendment of the Canada Business Corporations Act that introduced similar “comply or explain” regulations for public companies governed under that legislation, with implementation expected in 2020 or 2021.

Supporting the Greater Consideration of Women for Board Vacancies

In its review of gender diversity metrics, the Canadian Securities Administrators found that progress is being made, but slowly. Two-thirds of companies have women on their boards (up from 49%), women occupy 15% of all seats (up from 11%), and the number of companies with three or more women directors (often seen as a critical mass) has risen to 13% (up from 8%).⁶⁵ While comply-or-explain regulations have clearly had positive impacts and have driven corporate behavior in the right direction, there is still much work to be done, and further regulatory changes could drive this change.

One major reason for the lack of women on boards is the recruitment process; male board members and male executives search their often male-dominated networks for potential candidates, potentially perpetuating the gender gap. Mandating that companies actively consider women for board vacancies would lead to companies broadening their searches, getting creative in their recruitment efforts, and going beyond traditional networks to find candidates.

Requiring women be included in the consideration and interview stage of board nominations would ensure that women are being considered fairly while still requiring they demonstrate the skill and merit necessary to receive a directorship. This targeted action would help achieve better gender diversity results without the potential negative impacts of actual gender quotas placed on board appointments/elections.

The existing comply-or-explain regulations require the disclosure of how women are represented in the director identification and selection process. However, following the comply-or-explain model, this only requires companies to describe whether they have a policy on women representation on the board or explain why they do not have one. It does not mean such a policy should exist, nor does it require policies to have any specific targets or objectives.

⁶⁵ CSA Multilateral Staff Notice 58-310, Report on Fourth Staff Review of Disclosure regarding Women on Boards and in Executive Officer Positions, (September 28, 2018)

Canada should implement regulations requiring companies to have a policy regarding the representation of women in the director identification and selection process, and require such policies mandate that at least one qualified woman is fully considered for all board vacancies. Such consideration should be required to be meaningful, conducted in good faith, and include any requisite interview or assessment process.

Regulations such as these would have the benefit of forcing a change in mindset in Canada's boardrooms and would be a catalyst for progressive changes in corporate governance rules and in greater gender diversity outcomes. Through such regulations companies would also be encouraged to reflect on their own hiring/advancement policies and potentially identify barriers to women's advancement which prevent them from being considered for board positions currently.

RECOMMENDATIONS

That the federal government:

1. Advocate for inclusion in the Cooperative Capital Markets Regulatory System regulations that mandate reporting non-venture issuers implement board recruitment policies that require at least one woman is fully considered for all board vacancies. Such consideration should be meaningful, conducted in good faith, and include any requisite interview or assessment process.
2. Include in the recent Canada Business Corporations Act amendments similar requirements that public companies implement board recruitment policies that require at least one woman is fully considered for all board vacancies. Such consideration should be meaningful, conducted in good faith, and include any requisite interview or assessment process.

Submitted By: Burnaby Board of Trade

THE HUMAN RESOURCES COMMITTEE ABSTAINS FROM COMMENT AS GOVERNANCE IS NOT WITHIN HR POLICY COMMITTEE MANDATE AND COMMITTEE MEMBERS DO NOT HAVE THE EXPERTISE TO COMMENT.

31. Canadian Vessel Crews and Temporary Foreign Workers

DESCRIPTION

Canada's economic growth is creating unprecedented tensions on the labour market, and this prevents employers from filling available positions. This pressure is also exerted on the maritime industry.

The Canada Shipping Act requires that the crews of Canadian-flagged vessels be composed exclusively of Canadian citizens or permanent residents. This prevents Canadian shipowners from using temporary foreign workers, which would pose operational problems, despite a shortage of skilled labor in the marine sector. Nothing justifies such a limitation. In addition, since 2018, some ships had to stay on the dock for lack of navigation crew.

BACKGROUND

From the end of 2017 to the end of 2018, the number of vacant positions in Canada grew by 18.5%, from 462,235 to 547,770. The proportion of Canadians over 65 will grow constantly, from 16% in 2015 to almost 25% in 2040, and huge wave of retirements from the labour market will continue in the next few years. This creates major labour challenges in many Canadian industries, including among Canadian ship owners.

The Canada Shipping Act regulates crew requirements for a vessel to operate. It requires that every person who is employed on board a vessel must possess a certificate.

It also gives the option to recognize foreign patents, referred to in Article 89 (1):

If the government of a foreign state has entered into a reciprocal arrangement with the Government of Canada to accept certificates of competency issued under this Part in lieu of certificates of competency of that state and if the Minister is satisfied that the requirements under the laws of the foreign state for a certificate of competency meet or exceed the requirements under this Act, the Minister may direct, subject to any conditions that the Minister specifies, that the foreign certificate may be accepted in lieu of a certificate of competency issued under this Part.

Currently, there is no reciprocal arrangement with a foreign state.

RECOMMENDATIONS

1. That the Minister of Transport support the application of Section 89 (1) of the Canada Shipping Act to improve the shortage of workers in the marine industry
2. That the Ministry of Transport enter into negotiations without delay with foreign States to establish reciprocal arrangements.
3. That the Ministry of Transport reduce the barriers to trading a foreign patent for a Canadian patent.

Submitted By: Fédération des chambres de commerce du Québec

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.
THE IMMIGRATION COMMITTEE SUPPORTS THIS RESOLUTION.

32. Expedite Foreign Credential Recognition for New Immigrants Across Canada

DESCRIPTION

A skilled and flexible workforce is key to continued prosperity and growth in our economy. As the number of native-born Canadians plateaus and the average age of Canadians in the workforce increases, immigrants are playing an increasingly vital role in filling our labour force needs, sustaining Canada's economic strength and high quality of life. More new Canadians are joining the workforce, but their skills and education are not recognized. While educational standards and qualifications may differ between jurisdictions, it is incumbent on Canada to facilitate an efficient foreign credential recognition process that allows skilled immigrants to integrate quickly into our workforce and use the full range of their skills and knowledge.

BACKGROUND

The average age of Canada's workforce is rapidly increasing. Statistics Canada data shows that the number of Canadian residents age 55 and older represented 25 per cent of the working age (15-64) cohort in the 1990s. That increased to 30 per cent by 2007, 36 per cent by 2016 and is forecast to reach 40 per cent by 2026.⁶⁶ This has profound impact on the availability of labour to fuel the Canadian economy. Canadian employers are increasingly turning to immigrants to fill the labour gap. Many newcomers come to this country with years of experience, skills and educational achievements in their native countries. However, many are challenged to find work in their desired field due to the complex rules, regulations and the inefficiency of Canada's foreign credential recognition program.

Some industries are projecting critical shortages in the next five years. In the health sector, it is estimated that the shortage of registered nurses in Canada will be almost 60,000 full-time equivalents (FTEs) by 2022.⁶⁷ In the transportation industry, the Atlantic Provinces Trucking Association estimates that by 2025, Canada will need 50,000 new drivers.⁶⁸

There are a multitude of players involved in the assessment and recognition of foreign qualifications. There are nearly 500 professional regulatory authorities and numerous credential assessment bodies in Canada, as well as hundreds of post-secondary and vocational institutions and countless numbers of employers, immigrant serving agencies, and most importantly, immigrants and other internationally-trained workers.

Despite their qualifications, skilled immigrants are chronically underemployed, at significant cost to our economy. A 2012 study concluded that raising the employment rate of immigrant workers to the level of non-immigrants would result in approximately 370,000 more people working.⁶⁹ Another study, conducted in 2011, estimated the increased earnings at \$31 billion if newcomers' skills were compensated appropriately.⁷⁰

⁶⁶ <https://www150.statcan.gc.ca/n1/pub/75-006-x/2017001/article/14826-eng.htm>

⁶⁷ Highlights version of Tested Solutions for Eliminating Canada's Registered Nurse Shortage - https://www.cna-aiic.ca/-/media/cna/page-content/pdf-en/rn_highlights_e.pdf

⁶⁸ Conversation with the Executive Director of Atlantic Provinces Trucking Association, Jean-Marc Picard, July 10, 2019.

⁶⁹ TD Economics Special Report. Knocking Down Barriers Faced By New Immigrants To Canada: Fitting the Pieces Together, 2012. (accessed 13 January 2105); available from http://www.td.com/document/PDF/economics/special/ff0212_immigration.pdf

⁷⁰ RBC Economics. Immigrant labour market outcomes in Canada: The benefits of addressing wage and employment gaps, 2011. (accessed 13 January 2015); available from http://www.rbc.com/newsroom/_assets-custom/pdf/1219-2011-immigration.pdf

The recent announcement by the federal government that it would provide \$4 million over the next seven years under the Atlantic Canada Immigrant Career Loan Fund to help internationally-trained immigrants get their credentials recognized in Atlantic Canada is a case of too little over too long a time period. This translates into \$571,000 per year for the next seven years, not a large enough commitment to help the thousands of skilled and highly-educated immigrants find employment in their chosen fields.

The 2016 Canadian Census showed that recent immigrants aged 15 to 64 have an employment rate of 62.2 per cent, more than nine per cent lower than the non-immigrant population. Helping newcomers get their credentials recognized can narrow that gap, increase immigrant retention and help employers with their labour force needs.⁷¹

Canada needs a more coordinated, efficient credential recognition system.

RECOMMENDATIONS

That the federal government:

1. Take a leadership role with the provinces and self-regulating professional societies and associations responsible for establishing standards for the training, certification and lifelong education of their members to expedite the process to recognize the skills and education of new immigrants. A primary focus should be accorded to industry sectors where it is estimated that a shortage is imminent, such as health (registered nurses), transportation (truck drivers), and business and finance (high demand in multiple jurisdictions).
2. Make a commitment to reduce the amount of time under the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications from one year to six months.

Submitted By: Greater Moncton Chamber of Commerce

THE IMMIGRATION POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

⁷¹ <https://www.thechronicleherald.ca/news/local/government-provides-funding-to-help-immigrants-get-credentials-recognized-315628/>

33. Improving Start-Up Visa Processes to Decrease Wait Times

DESCRIPTION

The Start-up Visa program (hereinafter “SUV”) provides permanent residency to up to five co-founders of a company and their families to launch an innovative business in Canada. While originally mandated to be a streamlined process, Immigration, Refugees, and Citizenship Canada’s (hereinafter “IRCC”) application processing times have recently increased by 202% (5.3 months to 16 months), making the program less attractive to potential applicants and creating a significant bottleneck. Communication has been poor between IRCC, designated organizations, and applicants creating confusion and hurdles for all involved parties. The scalability of the program is significantly hindered.

BACKGROUND

Launched on April 1, 2013, the Start-Up Visa pilot was the first pilot program implemented through Ministerial Instructions. The SUV was designed to attract innovative foreign entrepreneurs who would contribute to the innovation needs of the Canadian economy and facilitate entry of innovative entrepreneurs who would actively pursue business ventures in Canada. To receive permanent residency under the program, applicants must receive support from a designated organization under one of 3 streams: venture capital, angel investment, or business incubation.

On 11 April 2018 the SUV program shifted from a pilot to a permanent program.⁷² Leading up to this shift, processing times for applicants had decreased from 2013 to 2015, from an average of 6.7 months to 4.1 months for most applicants. Since then, processing times have steadily increased and are now advertised at 12-16 months for new applicants with many taking even longer, with little to no explanation for the delay. As stated in a review of the pilot program: “The importance of timely processing for this client group was frequently highlighted by key informants, with the majority stating that the success of a business (especially those in mobile technology) often depends on how fast it can be launched.”⁷³

With the program being made permanent, many designated organizations placed significant time and resources into streamlining their SUV activities expecting reciprocation from IRCC, but that has not been the case. The bottleneck created by IRCC’s drastic increase in processing times has hindered designated organizations’ ability to attract and retain potential high-growth, high-impact immigrant entrepreneurs and their firms.

According to a Statistics Canada report, private incorporated immigrant-owned firms are much more likely than firms with Canadian-born owners to be job creators.⁷⁴ Additionally, immigrant-owned firms have a higher level of net job creation per firm and are more likely to be high-growth firms than those with Canadian-born owners.

It is clear that immigrant entrepreneurs are a key factor in improving Canada’s economic and demographic deficits. The Start-up Visa program attracts these entrepreneurs to the region while also fostering a culture of innovation and inclusion. With the United States cancelling their version of the

⁷² <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/updates/2018-startup-perm.html>

⁷³ <https://www.canada.ca/content/dam/ircc/migration/ircc/english/pdf/pub/e5-2015-suv-eng.pdf>

⁷⁴ https://www.ctvnews.ca/business/immigrant-owned-firms-create-more-jobs-than-those-with-canadian-born-owners-statcan-1.4393134#_gus&_gucid=&_gup=twitter&_gsc=0mlQRZP

program, Canada has an opportunity to take a global leadership position in the international start-up field; an opportunity that has thus far been squandered.

RECOMMENDATIONS

That the federal government:

1. Ensure IRCC processing times fall into the original 6-8 month timeline;
2. Provide a mechanism for effective communication on file processing times between designated incubation centres and IRCC to manage client expectations;
3. Provide transparent and detailed reasons for disapproved files within 30 days upon a client's request or to an IRCC designated organization if approved by the client.
4. Introduce a mechanism that allows minor corrections to SUV applications without restarting the process.

Submitted By: Fredericton Chamber of Commerce

Co-sponsored By: St. John's Board of Trade

THE IMMIGRATION POLICY COMMITTEE SUPPORTS THIS RESOLUTION

34. Increase and Update National Occupational Classification (NOC) Codes

DESCRIPTION

As the job market changes and adapts to technology and innovation, National Occupational Codes (NOCs) do not always get updated in a timely fashion nor recognize some new occupations and skilled or semi-skilled trades for inclusion.

BACKGROUND

The National Occupational Classification (NOC), provides a standardized language for describing the work performed by Canadians in the labour market. It gives statisticians, labour market analysts, career counselors, employers and individual job seekers a consistent way to collect data and describe and understand the nature of work.

The NOC is used for: defining and collecting statistics; managing information databases; analyzing labour market trends; and extracting practical career planning information. The NOC is developed and updated in partnership with Statistics Canada according to 5-year Census cycles. It is based on extensive occupational research and consultations conducted across the country, reflecting the evolution of the Canadian labour market.

As the types of skilled and semi-skilled labour evolves, the NOC does not always recognize these new job categories. As such by not being recognized in the NOC, businesses are not able to fill positions as they seemingly do not exist. At the same time, opportunities for apprenticeships, training and job support are not always available for certain jobs.

The Government of Canada needs to have a formal process to permit new NOCs to be registered in a timely fashion.

RECOMMENDATIONS

That the federal government:

1. Work with the Canada Chamber of Commerce, along with other key stakeholders, to establish a process for applications for new and updated NOC categories to be registered in a timely fashion.

Submitted By: Mississauga Board of Trade

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION

35. Measures to Avert Growing Labour Shortages in Trucking Industry

DESCRIPTION

It is essential the federal government work with trucking regulators and associations to ensure that the industry can access the skilled professional truck drivers it requires to move goods to market and improve public safety.

BACKGROUND

Trucks haul 90 percent of all consumer goods and food stuffs across Canada and handle 70 percent of our trade with the United States. Trucking is a \$65 billion industry that employs over 260,000 drivers and employs 400,000 people, including dispatchers, office staff and managers.

As shippers are increasingly reliant on trucks to operate just-in-time supply chains, a shortfall in the industry's workforce will have a significant impact on business competitiveness. A shortage of drivers will:

- cause limited driver resources to migrate to large, scheduled loads, and the spot market for transportation will increase in price and decrease in availability;
- extend order and delivery times resulting in the need for increased inventories and carrying costs; and,
- cause small and rural businesses requiring less-than-truckload services to experience decreased access to transportation services, increased costs, and decreased competitiveness.

By 2024, the Canadian Trucking Alliance projects a need for 48,000 new truck drivers. Some of that demand will come from increased trucking activity, while a significant percentage will be needed to replace a retiring workforce. The average age of a truck driver in Canada is 47, meaning that within a few years there will be a huge turnover in the men and women who currently drive trucks on Canada's highways.

The looming driver supply gap can be attributed to several factors including work conditions and lifestyle balance, but most importantly by the occupation's classification as a low-wage and low-skill career and lack of national standards for entry-level training.

NATIONAL OCCUPATION CLASSIFICATION (NOC)

Currently, truck drivers are classified in the 2016 Statistics Canada National Occupation Classification (NOC 7511 transport truck drivers)⁷⁵ as level C, low skilled. This assessment of minimum training requirements does not reflect the fact that the demands of driving a long haul truck have evolved significantly. With the advent of multiple configurations of trailers, highway and border congestion, electronic documentation, navigation, and logbooks, the skills required to efficiently and safely operate such vehicles has increased considerably. The NOC for truckers should reflect the increased knowledge and responsibility demanded of truck operators. A higher occupation classification will assist recruitment by changing the image of the occupation, particularly for the younger generation who are desperately needed.

⁷⁵ StatsCan, 2016 National Occupational Codes <http://www23statcan.gc.ca/imdb/p2VD.pl?Function=getVD&TVD=314246>

The NOC rating for truckers has two principal impacts. The first issue is the inability of potential drivers to access funding to support accredited minimum entry-level training. As the cost of quality driver training can cost up to \$20,000 in some provinces, it is challenging for students to pay tuition without support. The current occupational classification restricts applicants' ability to access student loans or apprenticeship funding, leaving only limited support via Employment Insurance and the restrictive conditions of employer-funded Canada Job Grants. Elevating the profession's level of skill designation would expand the number of funding programs available to young people considering trucking as a career.

Due to local shortages, employers must often recruit experienced immigrant truck drivers to Canada on a costly and often temporary basis. By raising the skill level of the profession, additional programs would become available to employers beyond the Temporary Foreign Worker and Provincial Nominee programs. These additional immigration programs for skilled workers would increase the size of the immigration stream, facilitate permanent residency and allow open work permits for spouses.

MINIMUM ENTRY-LEVEL TRAINING (MELT)

In support of a call for a higher occupational classification it is also essential that there be a minimum mandatory training curriculum for truckers. Many provincial authorities require only a pass on a written examination and a 2-hour road test combined with an approved course on airbrake testing. Only a small fraction of new commercial vehicle drivers attend accredited truck driver training schools for preliminary instruction. Limited student financial resources often constrain what the schools teach, in some cases teaching only to the level needed to pass the written and road tests, denying students access to essential safety and operational training.

The Ontario government has recently recognized the need to address training standards and now require all Class A candidates to complete a recognized minimum entry level training (MELT)⁷⁶ program from an accredited school. This first in Canada initiative can be built on as a basis for national training standards to ensure competence, safety, and insurability.

To avoid shrinkage of the workforce, it is important that government act now in partnership with trucking associations to create a renewed regulatory regime that more accurately reflects the skills and responsibilities that trucking professionals must demonstrate.

RECOMMENDATIONS

That the federal government:

1. Change the national occupational classification from unskilled to skilled in recognition of the training and knowledge required to be a commercial truck driver, and ensure recognition by all branches of government, standards councils, and others who certify trades and base their programs on NOC codes;
2. In coordination with provincial and territorial governments and provincial and national trucking associations, support development of a minimum standard of accreditation for commercial driving programs, including apprenticeship-like programs delivered through accredited commercial driving schools;

⁷⁶ Ontario Ministry of Transport, <https://www.ontario.ca/page/new-mandatory-training-class-drivers-licence-applicants>

3. In coordination with provincial and territorial governments and provincial and national trucking associations, establish a national requirement of successful completion of an accredited driving program prior to qualifying for licencing examinations; and
4. In coordination with provincial and territorial governments and provincial and national trucking associations implement a program of mandatory ongoing training and/or recertification (e.g., Transportation of Dangerous Goods Act, pre-trip inspection, load security, hours of service) throughout a driver's career.

Submitted By: Atlantic Chamber of Commerce

Co-sponsored by: Greater Charlottetown Area Chamber of Commerce

THE HR COMMITTEE DOES NOT SUPPORT THIS RESOLUTION, NOTING THAT THE TRANSPORT COMMITTEE WILL ALSO REVIEW

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

36. Reforming Employment Insurance

DESCRIPTION

The costs of the Employment Insurance (EI) Program are enormous (\$22.4 billion in 2019, rising to \$27.9 billion in 2025). Program costs per unemployed worker increased by nearly 18% between 2012 and 2016. Two thirds of costs are paid by employers.

The EI Program serves to finance public spending in various sectors unrelated to its initial aim by keeping premiums high. Reducing EI premiums would reduce real payroll costs for employers while increasing real salaries for employees and would help businesses stay competitive despite the huge tightening of the labour pool.

BACKGROUND

These last few years, ad hoc changes were made to the program instead of a comprehensive review. These modifications did nothing to reduce costs and adapt the program to the new labour market realities. On the contrary, the new initiatives add almost \$1.5 billion to the cost of the program. An overall review is necessary.

Employment insurance is a very important automatic stabilizer in difficult economic times. At the same time, it is well known that certain provisions of the program, particularly the variable requirements for admissibility and benefit periods, can diminish labour mobility and limit the implementation of promising initiatives aimed at valorising regions and seasonal employment. In the short term, funds associated with this regional variability should be reallocated to a support program for seasonal workers which will contribute to regional economic development, the elimination of “employment insurance black holes”, the economic diversification of our businesses and Canadian worker talent development.

RECOMMENDATIONS

That the federal government:

Carry out an overall review of the employment insurance program in order to reduce its costs, including:

1. Refocusing it on its main mission, i.e. a temporary income support accompanied by support measures to facilitate a speedy return to employment.
2. Implementing permanent solutions to seasonal employment challenges.
3. Standardising admissibility criteria and benefit periods throughout Canada to ensure equal access and eliminate worker inequality and unfairness tied to geographic location. If it does not ensure equal access, the government will discourage labour mobility.
4. Treading carefully with improvements to employment insurance by recognizing that it competes directly with employers who offer jobs in poorly paid occupations.
5. Reinforcing the accountability for funds devoted to training programs financed by employment insurance and solicit employer comments concerning program efficiency and pertinence to ensure that governments spend money in areas which correspond to today's and tomorrow's labour market needs.
6. Examining how programs financed by employment insurance can serve Canadians facing skills transitions due to technological changes.

Presented by: Fédération des chambres de commerce du Québec

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.

37. When We Build It, They Will Come How an Aerospace Innovation Cluster Can Create New Business for Canada

DESCRIPTION

Canada has an exceptional opportunity to stimulate aerospace related growth across the industry – training of pilots and aircraft engineers; refits of worldwide airliner fleets; related avionics development. The opportunities for training and hiring in related service positions in all sectors of the industry are vast: airport ops, flight instructors, ramp escorts, customer service agents, marketing and other professionals. Basic building blocks for an Aerospace Innovation Cluster are in place in the central Okanagan: The University of BC; Okanagan College; KF Aerospace. A new dedication by the federal government to a western aerospace super-cluster would ensure dynamic growth and expanded business opportunities.⁷⁷

BACKGROUND

Aviation serves a variety of crucial roles in the Canadian economy by safely and efficiently transporting people, moving cargo and supplying or acting as a vital lifeline to northern and rural communities throughout Canada.

Increasingly, technology and training have created new job opportunities for post-secondary students in Canada as the need for more aircraft mechanical engineers, pilots (fixed wing and helicopter), ramp service personnel and avionics manufacturing grow exponentially internationally. Airliner modifications drive much of the demand.

Additional aerospace-related industries include digital engineering; materials and production innovation; communication systems; and ballistic systems.

Western Canada is underserved as regards an aerospace innovation cluster. Quebec, Ontario and Vancouver have ever-expanding centres, i.e., Aero Montréal, Downsview; there are pockets of military pilot training (Manitoba); meanwhile, there is an emerging aerospace innovation cluster in the Central Okanagan.

Currently, pilot training and the need for a rapid increase in trained personnel for both the military and private carriers is paramount.⁷⁸ A new, federally supported aerospace innovation cluster would, with a single blow, help solve inter-related issues around industry shortages in Canada and across the industry. Such a facility would have a direct positive economic impact on the western Canadian economy with regards to employment, housing, education and taxes. Location outside existing major urban centres, i.e., in the central Okanagan, offers reduced land footprint costs, good access to and from northern communities, including the nationally-critical oilsands, and international destinations from the Kelowna International Airport, now the tenth busiest in Canada. Introduction of state-of-the-art simulators for both fixed wing and helicopter pilot training would act as a national and international draw, further stimulating local job creation.

⁷⁷ Canada has the 3rd-largest aerospace sector in the world, generates \$29.8 billion annual revenue and supports 211,000 direct and indirect jobs and 5% of jobs in the north. Global air transport industries will double the number of aircraft and passenger traffic by 2036. This requires 620,000 new pilots to fly internationally. 80% of these pilots have yet to begin training, emphasizing the need for pilot training on a global scale. October 18, 2018, Member Motion M-177, Hansard

⁷⁸ Apr 20, 2018 <https://www.avaerocouncil.ca>; BC Aviation Council, Feb 25, 2019

Continuing to locate large centres of training in or near existing facilities (i.e., Aero Montréal) fails to capitalize on the explosive growth of the pilot training programs in the interior of BC through Okanagan College (with flight training agreements with Air Canada, among others), KF Aerospace, Southern Interior Flight Centre, etc.

Canadian flight schools produce about 1,200 commercial pilots each year. Of these, only about 500 join the Canadian aviation industry annually as international student pilot graduates return home or take up employment with international entities which purchase Canadian flight training schools which prioritize overseas home markets. International recruiting further strains Canadian- and territories-based northern operators, as well as critical crop-spraying and aerial forest fire operations.

Canada needs 7,000 to 10,000 new pilots by 2025. Given current production rates, this results in a projected shortage of at least 3,000 pilots.⁷⁹ This problem will significantly worsen in the future, affecting the travelling Canadian public and the military unless action is taken.

The commander of Canada's air force has called for retention and signing bonuses for pilots to address the military's shortage of experienced aviators and mechanics. Lt.-Gen Al Meinzing on June 10, 2019 called such new initiatives 'vital' for stabilizing the military's ranks in a time of unprecedented competition for skilled aviators and technicians. The Canadian Air Force said in September of 2018 that they were short 275 pilots, mechanics, sensor operators and other trained personnel across the air force's different aircraft fleets.

The traditional pathway to becoming a pilot in Canada has involved earning licenses and ratings that cost approximately \$75,000 but can climb to twice that, with tuition and other student costs, when combined with post-secondary education. Most student pilots acquire substantial debt to cover these expenses. It is common to see high rates of attrition in flight programs due to lost financing⁸⁰.

RECOMMENDATIONS

That the Federal Government:

1. Expand its support for aerospace-related training to underserved areas in Canada, particularly the Interior of BC where building blocks are already in place; include provision of focused financial assistance for Canadians pursuing careers as aviators.
2. Support the Federal Standing Committee on Transport, Infrastructure and Communities to identify and determine how Canadian communities can benefit from rapid implementation of the recommendation in federal Member Bill M-177 (amended).
3. Focus financial aid assistance to student aid in all areas of training, while encouraging women, girls and Indigenous Youth into the industry at all levels. Build in bonuses for graduates receiving financial aid who remain in Canada to pursue aviation-related careers within minimum service periods, i.e., three years.

⁷⁹ CCAA 2018 labour market report states this will increase when new flight duty time rules are effected by Transport Canada. Half of flight operators state that finding qualified pilots is a significant challenge. Regional airlines report flight cancellations due to lack of flight crew in summer months. <https://www.avaerocouncil.ca> Oct 18, 2018

⁸⁰ "As an Aviation Council that is focused on ensuring the sustainability of our industry, BCAC fears this pilot shortage will have severe and critical impacts not only on our economy and operators, but on our remote and Indigenous communities. As one of the barriers to increased pilot supply is definitely the financial burden of obtaining the requisite flight time experience, we feel increased financial aid would be a strong indicator that the government is aware of the issue and supporting positive change." Heather Bell, Chair, BC Aviation Council, February 7, 2019 <https://www.bccaviationcouncil.org/wp-content/uploads/2019/02/BCAC-Presentation-to-House-of-Commons-Standing-Committee-on-Transport.pdf> October 18, 2018, Member Motion M-177, Hansard

Submitted By: Kelowna Chamber of Commerce

Co-sponsored by: Greater Vernon Chamber of Commerce; Greater Westside Board of Trade; Peachland Chamber of Commerce; Summerland Chamber of Commerce; Penticton & Wine Country Chamber of Commerce

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.

38. Pan-Canadian Framework to Clarify Businesses' Role in Supporting the Crown in Seeking Free, Prior and Informed Consent from Indigenous Peoples

DESCRIPTION

Seeking Indigenous Peoples' free, prior and informed consent (FPIC), as stated in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)⁸¹, regarding initiatives affecting their constitutionally-protected rights⁸² has been a prominent feature of several federal and provincial/territorial government policy and legislative initiatives. There is significant confusion with respect to the federal government's intentions regarding implementation of UNDRIP in laws, policies and regulations. It is also unclear whether the federal government intends to align its adoption of UNDRIP with provincial/territorial governments also working to do so within their jurisdictions.

BACKGROUND

The prospect of a lack of consistency across jurisdictions significantly increases the potential for redundant or contradictory interpretations and/or expectations of businesses' role with respect to FPIC. This creates uncertainty and jeopardizes investments, project approvals and completion.

The federal government's multi-faceted reconciliation agenda which includes the Recognition and Implementation of Indigenous rights in laws, policies and regulations (Recognition and Implementation of Indigenous Rights Framework) has failed to provide clarity or certainty for business in terms of its role when advancing projects that may affect Indigenous peoples' rights. Specifically:

- In 2016, six ministers were directed to undertake a review of laws, policies, and operational practices to ensure that the Crown is fully executing its consultation and accommodation obligations, in accordance with its constitutional and international human rights obligations. Following this, ministers were tasked with developing a recognition of rights framework and ensuring the Crown is fully executing its legal, constitutional, and international human rights obligations. The new legal framework that was to have been the product of the Recognition and Implementation of Rights Framework has not materialized: no legislation is proposed, and no process or strategy to clarify a federal approach to recognizing and implementing Indigenous rights is forthcoming.
- The absence of a clear federal strategy regarding implementation of UNDRIP remains a significant obstacle to industry in engaging with Indigenous peoples. UNDRIP, particularly FPIC, has the potential to fundamentally change business and government/Crown obligations with respect to the consultation process. Lack of federal government direction on this matter serves

⁸¹ Article 19 of the Declaration states: "States shall consult and cooperate in good faith with the Indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adoption and implementing legislative or administrative measures that may affect them."

⁸² Section 35 of the Constitution Act states: "(1) The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed. (2) In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit and Métis peoples of Canada. (3) For greater certainty, in subsection (1) "treaty rights" includes rights that now exist by way of land claims agreements or may be so acquired. (4) Notwithstanding any other provision of this Act, the aboriginal and treaty rights referred to in subsection (1) are guaranteed equally to male and female persons."

to complicate the efforts of other jurisdictions in implementing UNDRIP, and contributes to the risk of introducing contradictory and incompatible approaches throughout the country.

- Bill C-69, An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts, intended to replace the Canadian Environmental Assessment Act, is premised on improving Indigenous engagement and partnership throughout the environmental assessment process. However, the proposed legislation makes only superficial reference to UNDRIP, and does not address considerations of consent. The federal government's inability to articulate a comprehensive approach to seek Indigenous peoples' consent prior to finalizing the Impact Assessment Act will undoubtedly lead to increasing disputes among business, government and Indigenous peoples which will ultimately be resolved in the courts rather than through considered legislative and policy development.

Compounding this problem is the potential for provincial/territorial governments to revise their own environmental assessment processes to address and implement UNDRIP, which contradicts the federal government's objective of "one project, one assessment".

RECOMMENDATIONS

That the federal government:

1. Finalize its strategy regarding the harmonization of federal laws with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), clarifying the resulting expectations and roles of the Crown and business respecting:
 - a. free, prior and informed consent (FPIC)
 - b. the Recognition and Implementation of Indigenous Rights Framework, and
 - c. the Impact Assessment Act.
2. Clarify its expectations with respect to Indigenous consultation for itself, Indigenous peoples and business.
3. Develop a comprehensive strategy to engage business and provincial/territorial governments to establish jurisdictionally-aligned frameworks to clarify and support expectations and role of industry in a process to seek Indigenous peoples' consent on the Crown's behalf.

Submitted By: Indigenous Affairs Committee, Canadian Chamber of Commerce

39. Removing Barriers for Indigenous Participation in Post-Secondary Education

DESCRIPTION

Equitable participation for Indigenous students in post-secondary education across Canada is vital for ensuring viable and successful career opportunities.

BACKGROUND

The Truth and Reconciliation Commission's 94 Calls to Action (2015) initiated a serious re-examination of the national post-secondary system and the enrolment of Indigenous students. Senator Murray Sinclair, chair of the commission, indicated that "education is what got us into this mess...but education is the key to reconciliation." Call for Action 92 further recommends that the Canadian corporate sector ensure that Aboriginal peoples have equitable access to jobs, training and educational opportunities.

Paul Davidson of Universities Canada and Roberta Jamieson of Indspire wrote in Policy Options (November 19, 2018) that nearly 30 percent of non-Indigenous Canadians aged 25 to 64 possess university degrees, compared to ten percent of Indigenous people in that same age group. Fewer than 40 percent of students on reserves graduate from high school compared with 90 percent of non-Indigenous learners. The Centre for the Study of Living Standards estimates that addressing the Indigenous education gap and related employment rates and income disparities could potentially add \$36.4 billion to Canada's GDP by 2031.

The 2019 federal budget noted that Indigenous Peoples are among the youngest and fastest-growing segments of the Canadian population, yet they continue to face barriers when it comes to pursuing post-secondary education and finding good, well-paying work. Investments provided in Budget 2019 will, according to the government, help students obtain the skills and experiences required to succeed in a changing economy and contribute to stronger economic growth for all Canadians. A total of \$824 million over ten years, commencing in 2019-20, was allocated to Indigenous post-secondary education.

Paul Davidson and Roberta Jamieson noted in the above-referenced article that Indigenous students must contend with a series of barriers, including the legacy of residential schools and socio-economic disadvantages, that limit their opportunities for success in post-secondary education.

Many Indigenous learners do not have the financial resources to attend college or university and students who enroll often struggle. Post-secondary institutions are generally located significant distances from family and communities, isolating students from language, traditions and culture. The transition can be intense and extreme, with limited resources for support when conditions become overwhelming.

RECOMMENDATIONS

That the federal government:

1. Continue to work with institutions, the business sector and Indigenous peoples to increase the participation of Indigenous students in post-secondary education through the elimination of barriers to achievement.

Submitted By: Greater Kitchener Waterloo Chamber of Commerce

THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.
THE INDIGENOUS AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

40. A Mechanism for Accountability and Challenging Legislative Guidance of Administrative Decision Making Bodies

DESCRIPTION

Administrative Decision Making Bodies (ADMBs), such as Agents of Parliament and Commissioners appointed via Governor-In-Council (GIC) are tasked with issuing legislative guidance and undertaking regulatory enforcement of a variety of statutes that impact business. As arms-length agencies, there is little oversight or accountability mechanisms, save parliament itself. When ADMBs issue guidance that contradicts the conventional approach to legislative or regulatory interpretation, a mechanism is needed to challenge that interpretation through judicial review before it can be employed.

BACKGROUND

Governor in Council appointments are made by the Governor General, on the advice of the Queen's Privy Council of Canada (Cabinet). The responsibilities of Governor in Council appointees range from making quasi-judicial decisions, to providing advice and recommendations on socio-economic development issues, to managing Crown corporations. There is a double edged sword in creating ADMBs as an instrument of government to interpret and enforce laws and regulations. The creation of an arms-length body that is free of political interference is a well-intentioned approach to objectively managing enforcement activities. However, the lack of oversight in the case of Governor-In-Council appointments leaves an accountability gap, which can have the unintended consequence of creating marketplace ambiguities which becomes defacto compliance policy.

A challenge for business occurs when an appointment change also brings a shift in a long standing interpretation of law. The lack of oversight, accountability and obligation for an appointee to be correct at law leaves business with no option to challenge or appeal the interpretation except to defy the guidance and risk prosecution. There are currently 203 of these appointments, the majority of which have an impact on business in one way or another. A few of these appointments have great influence over the activities of all business, in that they offer regulatory compliance guidance largely developed internally with no outside input and no accountability mechanism.

Two examples of how this interpretive guidance can result in challenges for business are, firstly, June 2019 OPC consultation call on their new interpretation guidelines on PIPEDA consent requirements for the transfer of data (which was since withdrawn)

In this guidance, the OPC reversed its opinion from 2009 Guidance and now suggests that prior consent is required for all "disclosures" of information between organizations, including transfers between organizations and their service providers, and that such transfers are now considered as a "disclosure" rather than a "use" of the information.⁸³ The proposed guidance, if adopted would bring the OPC into conflict with its own previous decisions, increasing uncertainty.

⁸³ <https://www.priv.gc.ca/en/about-the-opc/what-we-do/consultations/consultation-on-transborder-dataflows/>

The proposed interpretation would have created adverse consequences for Canadian organizations, the economy and trade by being misaligned with other privacy laws, by having negative practical/operational consequences for organizations, creating the potential violation of the principles of recently signed trade agreements, without resulting in any meaningful additional privacy protection for individuals

Similarly, the CRTC's interpretation of Section 9 of CASL – which is the prohibition to aid, induce, procure or cause to be procured the doing of any act contrary to any of sections 6 to 8 - where the CRTC indicates that Section 9 can apply to almost any intermediary or provider of digital products or services. The CRTC's position is that section 9 can apply to a wide range of individuals and organizations "facilitating commercial activity, by electronic means, by providing enabling services, technical or otherwise," as well as to "those who receive direct or indirect financial benefit from a violation of sections 6 to 8 of CASL." The Bulletin's "non-exhaustive list" of intermediaries that may be at risk of liability includes advertising brokers, electronic marketers, software and app developers and distributors, telecommunications and Internet service providers, payment processing system providers and web hosting service providers.

The CRTC also notes that Section 9 liability does not require intent to aid in or knowledge of the contravention of CASL. The Bulletin states that individuals and organizations "engaging in regulated activities, such as those relating to electronic commerce" are responsible for ensuring that their actions or omissions are not aiding or inducing a third party to violate sections 6 to 8 of CASL.

The Bulletin raises significant questions about the burden and practicality of the CRTC's compliance expectations and possible liability for legitimate businesses engaged in digital communications in Canada.

While some guidance for policy makers in balancing accountability with freedom from political interference can be found in work from the OECD from 2013⁸⁴, this work focuses mostly on regulatory efficiency and the nature of regulatory frameworks such as alternative compliance mechanisms and inspection regimes. The Public Policy Forum in 2017, released a report addressing governance issues specifically for Agents of Parliament⁸⁵. This report was generated following the input from current and former Agents of Parliament and while many of the recommendations focus on the appointment process, a few are relevant to the decision making functions and accountability of Agents of Parliament – specifically creating a parliamentary oversight committee to review conduct and budget allocations and the appointment of external auditors on a periodic basis.

However, it is also important to create a mechanism that enables an immediate avenue for business to challenge the veracity of regulatory guidance, particularly when it contradicts previous, well established guidance. Amending the Federal Courts Act to add a provision that specifically enables the judicial review of interpretive guidance would increase the reliability of interpretive guidance, eliminate uncertainty in bringing concerns before the courts via application and create a more pressing obligation on ADMs to be correct at law.

RECOMMENDATIONS

That the federal government:

⁸⁴ <http://www.oecd.org/gov/regulatory-policy/Best%20practice%20for%20improving%20inspections%20and%20enforcement.docx>

⁸⁵ <https://ppforum.ca/publications/independent-accountable/>

1. Appoint a Parliamentary Committee to oversee the work of Agents of Parliament, as is the case with the Auditor General and the Public Accounts Committee.
2. Ensure budget allocations of an Agent of Parliament is authorized by a parliamentary or legislative committee by reviving the Parliamentary Advisory Panel on the Funding and Oversight of Officers of Parliament.
3. Appoint outside experts, reporting to the parliamentary committee overseeing each agent, to conduct periodic performance reviews of Agents of Parliament.
4. Amend the Federal Courts Act to allow for judicial review of interpretive guidance.
5. Include in the amendment of the Federal Courts Act an instruction to reviewing courts not to defer to the interpretation under review.

Submitted By: Canadian Chamber of Commerce Innovation Committee

41. Implement a Blockchain Economic Strategy

DESCRIPTION

Implementing blockchain technology in Canada.

BACKGROUND

Canada needs a wake-up call.

The Internet's second blockchain era will produce even more upheaval than the Internet's first information era. It is an unstoppable force that will make itself felt in almost every facet of our lives. Canada has a head start on becoming the second era's global hub or, at least, one of a handful of such hubs. The tech corridor in Surrey or between Toronto and Kitchener-Waterloo is emerging as Canada's first "technology supercluster." This region is already a world leader in quantum physics and artificial intelligence. Blockchain is ideally placed to be the third leg of the Tech North stool. Canadian entrepreneurs and companies are on the leading edge of blockchain innovation. Ethereum, viewed by some as the most important blockchain company in the world, recently surpassed \$1 -billion (U.S.) in value. And Consensus Systems is building decentralized applications that could transform a number of industries, including financial services, professional services, manufacturing, telecommunications, music, and film. Many of the bitcoin core developers are Canadian and many works in the start-up community. A growing constellation of entrepreneurs and technologists (Paycase, Protocol Fund, Tendermint, Nuco, Smartwallet, BlockStream, and others) are trying to build the future with companies in Toronto, Surrey, Vancouver, Montreal and elsewhere.

Canada's banks – strong, stable and innovative – are ideally situated to foster blockchain growth. Because we have a small number of big banks, the likelihood of collaboration between them to build a new transactional infrastructure for banking is higher than in other countries, such as the United States.

Still, Canada needs to overcome significant obstacles if it is to cement a leadership role in blockchain technology. A key handicap is the absence of a clearly defined strategy for governments and other stakeholders to exploit blockchain technology. For example, governments focus on investing in related technologies such as artificial intelligence and quantum computing while missing the critical underlying blockchain infrastructure.

Background

Blockchain is a distributed ledger in which anything of value can be stored, ranging from money, stocks, bonds, and intellectual property, to votes, art, music, loyalty points, carbon credits, health-care records and student accomplishments. Even our identities can be stored, transacted, communicated and managed securely and privately.⁸⁶

The First Industrial Revolution occurred in Europa and the US where a transition to a new manufacturing process occurred between 1760-1840. The traditional hand-processing methods were co-opted by the use of machines, chemical, steam, and water.

⁸⁶ <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/>

The Second Industrial Revolution, known as the Technological Revolution, was a phase of rapid industrialization between the late 19th century and early 20th century. Advancements in manufacturing and production technology were the staple of the Second Industrial Revolution, and the invention of things such as the telegraph, railroad network, gas and water supply, and sewage systems.

The Third Industrial Revolution involved the utilization of new energy with communication technologies, mainly renewable electricity. This third phase of the industrial revolution includes the sharing economy and details the interconnection of the world's economies.

We are now in and moving away from the fourth industrial revolution known as the Industrial Revolution 4.0. This is the name given to the current trend of automation and data exchanges. The increasingly complex and sophisticated cyber-physical systems, the Internet of things, cloud computing, and cognitive computing are all facets of the fourth industrial revolution. Within this revolution is the advent of blockchain technology.

The uses of blockchain technology, which is a primary facet of cloud computing and the internet of things, is a relatively new way of exchanging information and services but is already revolutionizing global trade (Norberg, 2019).

Blockchain is a concept for storing data. It is a decentralized and secure trust between parties. The blockchain can be seen as a type of digital ledger that holds information about transactions in a register that is transparent and accessible. Once information is entered into a "block", it can't be altered, only added to. Multiple data entries, or blocks, create a chain of blocks i.e. a blockchain. Once information is uploaded to a block, all parties involved are made aware of this.

A trade chain can be seen as a long and complicated series of transactions. Time is critical for much trade, including agricultural trade across the country and across international borders. As agricultural items are perishable, time is crucial for trade. Delays in terms of information sharing are detrimental to the goods, and therefore the economy on both the importer and exporter's side. If an exporter's goods perish, they have insurance to cover the loss, but the importer will not have a product to sell in their market. Utilizing blockchain will speed up the transaction speed and thus limit the number of spoiled items. In a society that is trying to reduce waste, blockchain technology is one way to accomplish this goal.

To cement Canada's position as a global leader in blockchain technology, the following steps need to be taken:

1. Canada needs a strategy

In the early 1990s, two government advisory committees were created to develop strategies for Canada and the first era in the Internet. This work contributed significantly to Canada's adoption of the Internet, among other things, catalyzing the opening of the telecommunications marketplace. With the Internet entering a second era, it makes sense for the federal government to set up a national commission, with representatives of government, financial institutions, the research community, technology entrepreneurs, civil society and, not least, consumers. It would develop concrete recommendations that would enable Canada to achieve a leadership role in the imminent blockchain revolution

2. Stimulating R&D through blockchain-based flow-through shares

The report explains how the flow-through shares model that has been effective in Canada's mining, oil and gas industries could be applied to technology. The key is to use blockchain to track all investments, real-time in R&D to ensure all tax benefits go directly into innovation. This would offer Canada a double-barrelled opportunity: a massive new source of funds to spur research and development in the technology sector, and a highly visible, real-time demonstration of blockchain's capabilities and benefits.

3. Create a Blockchain Research Institute

It's time to conduct deep research into killer applications – identifying the most important opportunities for blockchain in business and government and drawing the road map for how to get there. Canada needs a Blockchain Research Institute, to unlock the potential of blockchain across industries and also within the functions of organizations. The institute could operate as a research centre for projects that potentially benefit a wide range of players, and where competitive issues are not a concern.

4. A Blockchain Centre of Excellence

Round-table participants and others expressed strong support for a Blockchain Centre of Excellence. The centre would not be dissimilar to those that have helped propel many other emerging technologies. However, new thinking is required. For example, it would be the focal point for a cluster of a set of blockchain-related businesses, encouraging them to feed off each other.

5. Government as a model user

One of the most important steps government can take is to adopt the technology to transform its own operations – federal, provincial and local. This stimulates innovation, creates a stronger domestic market for entrepreneurs and among other things could dramatically improve the performance of government.

6. Protect and expand access to the United States

Building an innovation economy in Canada does not mean isolating ourselves from the rest of the world. Indeed, with calls for protectionism growing louder in countries such as the United States and Britain, we must build bridges and strengthen ties to key markets, expand our trading partners and work constructively with foreign governments.

Given Canada's relatively small domestic market, it is vital for the blockchain community to expand access to the United States. The U.S. is by far the largest source of financing for blockchain start-ups, the biggest market for their products and, outside Canada, the biggest supplier of talent for blockchain and other fintech ventures.

7. Education and cultural change

Revolutionary products and services often run into early skepticism, even mockery and hostility. Entrenched interests resist change and established leaders are often the last to embrace the new if they ever do. Blockchain is no exception. It has already brought dislocation, conflict, confusion, and uncertainty, and is sure to bring more. This is especially true in Canada, where regulators and policymakers have tended to favour stability over innovation.⁸⁷

References:

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⁸⁷ <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/>

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https://www.cgai.ca/unblocking_the_bottlenecks_and_making_the_global_supply_chain_transparent_how_blockchain_technology_can_update_global_trade?utm_campaign=norberg_spp_blockchain&utm_medium=email&utm_source=cdfai

RECOMMENDATIONS

That the Federal Government implement a blockchain economic strategy by:

1. Setting up a national commission, with representatives of government, financial institutions, the research community, technology entrepreneurs, civil society and, consumers that would develop concrete recommendations to enable Canada to achieve a leadership role in the imminent blockchain revolution.
2. Stimulating R&D through blockchain-based flow-through shares that would track all investments in real-time in R&D to ensure all tax benefits go directly into innovation.
3. Creating a Blockchain Research Institute, to unlock the potential of blockchain across industries and also within the functions of organizations.
4. Creating a Blockchain Centre of Excellence where blockchain-related businesses can cluster and innovate.
5. Adopting the technology to transform its own governmental operations – federal, provincial and local.
6. Expanding access and information exchanges with the United States.
7. Ensuring educational and cultural norms conducive of innovation.

Submitted By: Surrey Board of Trade

THE INNOVATION COMMITTEE SUPPORTS THIS RESOLUTION.

42. Restoring Canada's Innovation Competitiveness

DESCRIPTION

In a global economy where technology, innovation and capital investment are increasingly important, Canada trails most of its peer countries in innovation and research. The Government of Canada should act quickly to address this, particularly by restoring and simplifying the Scientific Research and Experimental Development (SR&ED) tax credit and working to create an environment that nurtures private sector investment in R & D and technology.

The SR&ED Program provides a refundable investment tax credit to eligible Canadian SMEs conducting research and development work in the areas of science and technology. Each year, 20,000 businesses make SR&ED claims and the program is the largest research and development incentive program providing some \$3 billion annually in assistance.

BACKGROUND

Helping small and medium Canadian companies grow and succeed is one of the Canadian Chamber's 2019 federal election priorities.

Having Canadian businesses that are innovative by developing and applying new technologies is essential for success in a 21st century economy. In 2018, the Canadian Chamber of Commerce published 10 Ways to Build a Canada that Wins, outlining a 10-part strategy to support business growth and build a winning economy. The report stressed the importance of de-risking the development, adoption, commercialization, and production of new technologies and facilitating access to capital to do so.

Firms in Canada find it difficult to compete with those in the rest of the world on price, but they can compete on the basis of innovation. To do this, we need to be technologically-advanced and devote ourselves to research and development, but Canada is far from a leader in these fields.

The World Economic Forum ranks Canada as 22nd in capacity for innovation, 22nd in technological readiness, and 27th in company spending on R&D. Canada's R&D spending as a percentage of GDP has been declining for over a decade and is now 1.69%, compared to the OECD average of 2.4%. Business spending on R&D is near the bottom of all OECD countries.

Canada is the only developed country in the world with an intellectual property deficit – we spend more importing technology from other countries than we earn selling technology abroad. This gap costs \$4.5 billion a year.

Around 4% of Canadian small- and medium-sized businesses exported goods in 2017, although they represented more than 94% of all companies exporting and nearly 25% of total exports⁸⁸{1}. This is a fraction of the 20%+ of SMEs in other G7 countries that export. In 2017, the Toronto Board of Trade stated that if Canada's SMEs exported at the same level as larger firms (23 %), \$225 billion would be added to our economy, equating (according to the Conference Board of Canada) to more than 2 million jobs. We need to focus on the closing of this gap between the Canadian SMEs (4%) and other

⁸⁸ Innovation, Science and Economic Development Canada Small Business Branch Research and Analysis Directorate, Key Small Business Statistics, Ottawa, ON, January 2019, page 19 (43,415 of Canada's 1.17 million SMEs exported goods in 2017)

G7 SMEs (20%+) exporting. One of the key drivers for companies to achieve growth in existing and new markets is innovation.

In the face of these developments, cutting the SR&ED tax credit from 20% to 15% in 2014 must be reversed. The SR&ED program is the federal government's main R&D investment vehicle, and restoring it is the first step in restoring Canadian competitiveness in innovation. The shortfall is not being made up at the provincial level. In Ontario, the Ontario Research and Development Tax Credit was cut from 4.5% to 3.5% in the 2016 budget, and the Ontario Innovation Tax Credit from 10% to 8%. Quebec's R&D tax credit rates have been reduced from 37.5% to 30%, effective as of June 4, 2014.

Until 2014, companies could use the SR&ED Depreciable Property Tax Credit to invest in capital. This investment tax credit was 35 per cent up to a maximum of \$3 million. It was eliminated at the end of 2013 in the name of streamlining the program and removing some of its complexity. The SR&ED Program's other expense elements remained eligible (salary and wages, materials, overhead expenses and contract payments).

In the 3 years after the Depreciable Property Tax Credit was wound down (2014-17), \$95 million in support for capital investments was removed from the SR&ED Program .{2}⁸⁹ This is \$95 million no longer available to Canadian companies to assist them in investing in capital equipment to bring their innovations to reality and make them more competitive. A restoration of the Depreciable Property Tax Credit in the SR&ED program would provide Canadian SMEs with an additional way to reduce capex expenditure, and free up capital to allow SMEs to adopt innovation to lead to growth.

An example is a small business in Ontario, specializing in defence and counter-terrorism equipment, with over 80% of its revenues from global exports. It previously used the SR&ED Depreciable Property Tax Credit to help support the creation of a clean-room facility used for research and manufacturing of state-of-the-art sensors. This investment, supported by both the company and SR&ED, helped this business execute innovative technology development and improved the company's competitive position.

However, restoring the credit limit to 20% and reinstating the Depreciable Property Tax Credit are not the only adaptations required of the SR&ED Program. The Program must be made easier to use and access for employers of all sizes.

Canadian Chamber members report that the audit component of the SR&ED Program has become onerous and time-consuming, and that the uptake and efficiency of the program are hampered by overly frequent changes.

Federal budget documents since 2016 revealed the Government of Canada's intent to develop an innovation agenda that provides a pathway to commercialize research in the public sector and encourage further research and development in the private sector. As chambers of commerce and boards of trade we look forward to the realization of this agenda.

References:

⁸⁹ 2012 Budget, Annex 4, Table A4.1, "Cost of Proposed Tax and Tariff Measures, Fiscal Costs (millions of dollars), page 380: <http://www.budget.gc.ca/2012/plan/pdf/Plan2012-eng.pdf>

Government of Ontario, 2016 Ontario Budget – Chapter V

<http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/ch5a.html>

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OECD, Science, Technology and Industry Scoreboard 2015.

Standing Committee on Industry, Science and Technology, The Canadian Intellectual Property Regime
– Dissenting Opinion of the New Democratic Party

SR&ED Education and Resources, SR&ED Gets Cut in the 2014-2015 Quebec Budget

<http://www.sreducation.ca/sred-funding-in-2014-quebec-budget/>

RECOMMENDATIONS

That the federal government:

1. Restore the SR&ED tax credit to 20%, as it was before 2014
2. Reinststate the Scientific Research and Experimental Development Depreciable Property Tax Credit
3. Simplify the process of the SR&ED application so that Canadian companies of all sizes can move forward with confidence to bring their innovations to market
4. Create an innovation environment that encourages private sector investment in R&D and technology

Submitted By: Red Deer & District Chamber of Commerce and the SME Policy Committee

Co-sponsored By: Peterborough Chamber of Commerce, Belleville Chamber of Commerce, Greater Niagara Chamber of Commerce, and Quinte West Chamber of Commerce

THE ECONOMIC POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

THE TAXATION COMMITTEE ABSTAINS FROM COMMENT: THE TAXATION COMMITTEE DEFERS TO THE ECONOMIC POLICY COMMITTEE ON THIS RESOLUTION TO DETERMINE WHAT IS THE BEST WAY TO SUPPORT INNOVATION.

43. The Risks of Cyber Crime — Electronic and Digital Issues

DESCRIPTION

From the individual consumer to large corporations, cybercrime has cost the Canadian economy up to \$3.12 billion dollars annually. The cost of protecting oneself and one's business from being detrimentally affected is escalating; as precious resources are used for security, it is a barrier to economic growth.

BACKGROUND

From the individual consumer to large corporations, cybercrime has cost the Canadian economy up to \$3.12 billion dollars annually. The cost of protecting oneself and one's business from being detrimentally affected is escalating; as precious resources are used for security, it is a barrier to economic growth.

Cybercrime is not a new phenomenon, but there is still a lot to learn in order to effectively respond to the threat. The nature of cybercrime continues to change faster than public institutions can fully understand them, regulate them and mobilize against them. For example, one of the most prolific and damaging cyber scams seen is the Business E-mail Compromise (BEC) scam which primarily targets businesses of various sizes and affects countries all over the world. Although the BEC scam is primarily a sophisticated social engineering scam, the BEC scam has cost victims over \$1 billion to date.

According to the National Cyber Security Alliance, one in five small businesses are hit by cybercrime annually. In 2013, cyber-attacks on small businesses rose 300% comprising 31% of all targeted attacks. Small businesses are particularly vulnerable without the resources to combat such attacks such as Remote Access Trojans used by criminals who were able to alter their online or payment terminals. On a larger scale, cyber criminals often target smaller business that have partnerships with larger organizations for the purpose of back door access to the larger partner's stores of more valuable personal data, critical infrastructure and intellectual property. 71% of cybercrime attacks happen to small businesses, which do not have the same security levels as larger organizations. Almost half of small businesses have been victim of a cyber-attack with the hackers seeking credit card credentials, intellectual property, and personally identifiable information. Even governments are not safe. Since 2010, Public Safety Canada has spent \$245 million on defending government computer networks, safeguarding critical infrastructure and educating the public.

Currently, there are current initiatives that the federal government has put forward such as the Mandatory Breach Notification legislation for organizations subject to The Personal Information Protection and Electronic Documents Act (PIPEDA). However, the general public has incomplete knowledge of which companies are subject to reporting breaches and are largely uninformed as to what information has been compromised. There are several models used elsewhere which can improve Canada's reporting and information dissemination procedures, for example, Australia's ACORN program (Australian Cybercrime Online Reporting Network) collects citizen complaints so that police and industry can monitor trends, thwart organized criminal groups and arrange incidents for further investigation.

The Surrey Board of Trade has been involved in increasing the awareness of, and action against, cybercrime for several years, recent recommendations requested that the federal government

- Establish a centralized mechanism for the mandatory reporting of designated cyber security incidents to enable quantification of the potential damage to the Canadian economy.

- Establish a national educational program to increase awareness, among children, of cybercrime and prevention programs for introduction into school curricula
- Establish a website to act as a clearinghouse for the most current information on cybercrime in Canada, for public information and education, with monitored links to similar central information points around the globe.

Cybercrime is occurring exponentially in keeping with the growth of the digital marketplace. The federal strategy is focused primarily on national security threats and does little to combat the dramatic growth in email scams, online extortion and breaches at corporate computer networks. It will require all levels of government, RCMP and business to play a part in reducing and eliminating cybercrime in a coordinated strategy.

RECOMMENDATIONS

That the federal and provincial governments work in a coordinated way with stakeholders and business to:

1. Increase integration amongst governments and policing agencies on cybercrime to effectively punish cyber criminals
2. Promote digital literacy by establishing best practices for cyber resilience, including education on more sophisticated and specialized crime
3. Invest additional financial and skilled human resources to the national cyber-security centre set up by government, industry and policing agencies to help investigate and warn the public about new and emerging cyber-threats

Submitted By: Greater Bathurst Chamber of Commerce

Co-sponsored By: Fredericton Chamber of Commerce, and Surrey Board of Trade

THE INNOVATION COMMITTEE SUPPORTS THIS RESOLUTION

44. Canada-India Free Trade: Time to Re-Engage

DESCRIPTION

Free trade agreements are meant to decrease or remove costly and time-consuming trade barriers in order to accelerate the trading of goods and services thereby generating more profits for those engaged in the agreement. In other words, by opening up to new foreign markets, you allow for increases to sales and profits for domestic companies. It has been argued that this, in turn, creates a domestic middle class with higher wage jobs over the longer term.

BACKGROUND

Free trade agreements (FTA) are meant to decrease or remove costly and time-consuming trade barriers in order to accelerate the trading of goods and services thereby generating more profits for those engaged in the agreement. In other words, by opening up to new foreign markets, you allow for increases in sales and profits for domestic companies. It has been argued that this, in turn, creates a domestic middle class with higher wage jobs over the longer term. Developing countries on the other hand gain access to cheaper goods and services, which provides for a wider market for Canada's own domestically produced goods and services. The Canadian government has increased its focus on expanding Canada's trade agenda. There have been a number of FTAs launched in the past including the newly ratified The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Canada-India Comprehensive Economic Partnership Agreement

In 2010 Canada undertook formal negotiations with India to achieve an FTA. In 2016, with nine rounds of negotiations completed, the process stalled. Round nine occurred in March 2015 and no new negotiations have been scheduled despite both governments' public statements of support for the FTA.⁹⁰

Officially called the Comprehensive Economic Partnership Agreement (CEPA), Canada appears to have refocused energy and resources towards the Foreign Investment Promotion and Protection Agreement (FIPA) seeking to ensure it is ratified and put into force, before proceeding with the FTA talks. The FIPA talks were reported to be successfully concluded in 2007 but neither country has ratified or made the agreement operational without public explanation.

The large India diaspora in Canada and our Commonwealth heritage make the Indian trade relationship one of the more logical targets for Canada. Unfortunately, despite current and former governments supporting an FTA, the target remains elusive.

Current Trade

In 2016-2017, Canada exported \$3.297 billion (USD) to India, and imported \$3.204 billion (USD)⁹¹. There is significant potential for growth in this regard with the advent of an FTA. Foreign Direct Investment (FDI)

⁹⁰ Global Affairs Canada, Canada India Free Trade Agreement Negotiations, March 2015

⁹¹ <https://wits.worldbank.org/CountryProfile/en/Country/CAN/Year/2017/TradeFlow/EXPIMP/Partner/IND/Product/All-Groups>

from Canada to India from April 2000 to September 2015 was \$586 million (CAD), a mere 0.22 per cent of the \$265 billion in total FDI India received in those 15 years⁹². The last time the Canadian government's international trade website detailing the FTA with India was updated in 2015⁹³.

Significant Areas of Growth – Energy, Education and Professional Services

Over the next 25 years, India will make up 25 percent of the global energy demand growth as it seeks to ensure electrical energy for all of its citizens. Currently, 31 million Indians have no access to electrical energy.⁹⁴

Along with the pressure to increase renewable energy resources, India will require increases in domestic oil and gas production to fuel growth. Canadian companies are well positioned to provide the expertise that India requires to become self-sufficient in various forms of energy.

Canada is also well placed to provide professional and educational services to India in a variety of other industries and areas. At the same time, Indian investment in Canada is necessary; we are drastically behind in the internet revolution (industrial revolution 4.0). The Indian government and corporations are able to utilize blockchain technology in a drastically more sophisticated way than Canadians can at this point in time.

RECOMMENDATIONS

That the federal government:

1. Apply political direction and resources to reinvigorate the stalled negotiations between Canada and India to achieve a Free Trade Agreement.

Submitted By: Brampton Board of Trade

Co-sponsored By: Mississauga Board of Trade, Surrey Board of Trade

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION

⁹² Arun S, The Hindu, January 13, 2016

⁹³ <https://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/india-inde/fta-ale/info.aspx?lang=eng>

⁹⁴ <https://www.forbes.com/sites/suparnadutt/2018/05/07/modi-announces-100-village-electrification-but-31-million-homes-are-still-in-the-dark/#6a45189563ba>

45. Enhancing Canada/U.S.A Labour Mobility

DESCRIPTION

Issue: Delay, lack of consistency and clarity surrounding the different application of rules and request for documentation at border crossing for business travellers.

BACKGROUND

In a global economy, Canadian employers often require their employees to travel to the United States for critical business. However, Canadians engaging in cross-border business travel are experiencing significant delay, administrative burden and misinformation when seeking temporary entry into the United States of America.

The guidelines under the North American Free Trade Agreement (NAFTA) Business Travel "Cross Border Movement of Business Persons" state that under Chapter 16 of NAFTA, four categories of Canadian business persons can enter the United States and Mexico temporarily to conduct business.

Furthermore, NAFTA Chapter 16 deals with the list of professions that can work within North America without needing to do a Labour Market Impact Assessment (LMIA). The list of professions is antiquated and was not updated in USMCA. If your profession is not in this list, then it's a more complicated process to get a work visa to work in the other two countries in North America.

There are other rules around temporary foreign workers where an LMIA can be avoided but the rules are onerous, costly and processing times are long. There is also no process in place for time sensitivity emergency requests.

There was an opportunity with the renegotiation of NAFTA to update the list to reflect new professions that didn't exist back in the 80's (mainly in the digital, software engineering, space etc). Since these new types of professions are getting more and more prominent, not having them on the NAFTA list means that it makes it more difficult for companies to move these professionals around within North America.

Also, Business Visitor entry to US or Canada – typically, business visitors do not need visas to enter as a business visitor according to the rules. However, travellers are at the discretion of the border guard, who can request more documentation up to a visa if he/she believes that you're there to work versus just attending a business meeting for example or attending a conference.

These rules as outlined in the "Cross Border Movement of Business Persons" are not always enforced with consistency. This creates an environment of inconsistency, delay and frustration and uncertainty for simple business travel.

As previously stated, in the most recent negotiations, the section on business travel and the scope of occupations under the USMCA was not updated. By updating the list of occupations this would assist in providing clarity in the process for business travel for the travellers as well as for border crossing enforcement.

Finally, the efficient flow of people across the borders in North America are a necessity because of the vital linkages of our economies. The current rules are antiquated (NAFTA Chapter 16), and the rules are not applied consistently at the border by the customs border agents. The current system and the effect of uncertainty leads to lost productivity and increased cost for businesses.

Beyond USMCA business travellers categories, there are also other labour mobility challenges facing Canadians in relation to L-1 visas. Under a pilot program started in 2018, the US government is trialling no longer allowing Canadians to apply for L-1 visas at a point of entry, instead requiring them to apply in advance. This risks delays for new or renewing Canadians seeking to work in the US.

RECOMMENDATIONS

That the federal government:

1. That the federal government work with the United States government on other arrangements that would build upon updating the new business traveller occupation under the USMCA;
2. That the federal government work with its United States counterparts on a training program for all border crossing enforcement while ensuring consistent application by custom officials of the application of rules and request for documentation;
3. That the federal government lobby the United States government to allow for Canadians to continue to apply for L-1 visas at points of entry.

Submitted By: Oakville Chamber of Commerce

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

THE IMMIGRATION POLICY COMMITTEE DOES NOT SUPPORT THIS RESOLUTION NOTING:

- COMMITTEE MEMBERS SUPPORT THIS RESOLUTION IN PRINCIPLE, STATING IT IS AN ISSUE OF IMPORTANCE TO THE BUSINESS COMMITTEE, AND WOULD WELCOME THE OPPORTUNITY TO REVIEW AN REVISED VERSION
- COMMITTEE MEMBERS FEEL THAT THERE IS NO DISTINCTION / DISCUSSION BETWEEN BUSINESS TRAVELERS AND WORKERS WHICH CAUSES CONFUSION; COMMITTEE MEMBERS FEEL THAT BOTH ARE VITAL TO EMPLOYERS AND NEED TO BE INCLUDED TO REPRESENT AN OVERALL CHAMBER POSITION

46. Enhancing Tariff Claims Process to Address Business Needs & Encourage Trade Growth

DESCRIPTION

For Canadian importers/exporters, the process to obtain duty drawback or remission approval is a time and resource drain to companies without the necessary expertise and/or administrative staff to effectively manage the requirements. In addition, the Canadian Border Services Agency (drawback) and Department of Finance (remission) offices may require additional staff resources to manage the number of claims received to ensure quick feedback and timely approval.

BACKGROUND

Canadian importers/exporters are often required to pay tariffs to gain access to International markets. In some situations, importers/exporters are able to seek relief from paid tariffs through the submission of a drawback claim to the Canada Border Services Agency or a remission approval from the Ministry of Finance. Unfortunately, the claims process is a time and resource drain to companies without the necessary expertise and/or administrative staff to manage the requirements.

Chamber Members have expressed concerns with the complexity of the application forms and process, and the limited support available from a Ministry representative. The timeliness of claim processing, and subsequent reimbursement by the Government Department is also a significant concern as it could take months or even years for companies to be reimbursed, not including any interest they accrued or the cost of hiring additional staff or outside support to manage the claims process. This delay represents a significant financial burden and could result in staff layoffs or even business closures.

In addition to the delays and complexities, when the US announced its removal of the 232 tariffs against Canada (and Canada removed its tariffs vs US), the Canadian government immediately discontinued the application process for duty remissions as of that date. This has left a number of companies who were in the process of putting forward remission applications with no recourse to obtain monies back.

RECOMMENDATIONS

That the Government of Canada direct the Canada Border Services Agency and Ministry of Finance to:

1. Review staffing levels to ensure sufficient resources are available to manage tariff claims and remission approvals;
2. Raise awareness by providing information to Canadian companies to assist them in the preparation and submission of tariff claims and remission approvals;
3. Process claims within 120 days of finalization of the submission; and,
4. Allow a grace period for companies to submit their applications for S.232 tariffs, starting from the introduction of Canada's retaliatory tariffs of July 1, 2018 through to June 30, 2020, after which time the application process would be closed.

Submitted By: Tillsonburg District Chamber of Commerce

Co-sponsored By: Thunder Bay Chamber of Commerce, Hamilton Chamber of Commerce, The Sault Ste. Marie Chamber of Commerce, Greater Peterborough Chamber of Commerce

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

47. The Belt and Road Initiative - Opportunities and Challenges

DESCRIPTION

The Belt and Road Initiative is an opportunity that would enable Canada to enhance its engagements economically, politically and socially in Asia.

BACKGROUND

The Belt and Road Initiative (BRI), was first proposed by President Xi Jinping of China in 2013. This is a development strategy proposed by China in order to strengthen infrastructure, trade and investment links between China and 65 other countries (Xiamen, 2018). This strategy was first introduced in Kazakhstan in September 2013 and a month later in Indonesia. During the first speech the China's President announced that China was willing to create a "Silk Road Economic Belt" stretching from China to Europe. In the second, he announced the China's intentions for launching the 21st century Maritime Silk Road. This initiative was based on the ancient significance of the Historical Silk Road. The BRI could transform the economic environment in which the economies operate by substantially reducing the trade costs and improving connectivity, thereby leading to high cross- border trade and investment with improved growth of the regions (Government of Canada, 2018). The BRI involves six major initiatives: New Eurasian Land Brid, China- Mongolia- Russia Corridor, China- Central Asia- West Asia Corridor, China- Pakistan Economic Corridor, Bangladesh- China-India- Myanmar Corridor and China- Indochina Peninsula Corridor (Fleet, 2018).

In order to start this initiative, a multilateral organization estimated that the successful implementation of the BRI requires a capital investment of \$26trn in infrastructure development between 2017-2030. However, taking into consideration the amount of investment needed, IMF has raised concerns regarding the indebtedness as this money being lendd is based on commercial rate of interest. As, a result many Chinese funded projects were either curtailed or suspended because of high payments. The Belt and Road Initiative aims at increasing the transparency, ability to access schemes and achieve high standards and formal contracts (Xiamen, 2018). Through BRI, China intends to achieve dual objective of enhancing its own economic power by opening new markets for its state-owned enterprises and broadening their footprints across the globe while getting rid of excess industrial capacity (in steel, cement and glass) and secondly, to reduce its strategic vulnerabilities like political and social unrest (Government of Canada, 2018). BRI could also be considered as a geopolitical move that allows China to encircle India, providing access to critical energy resources in Central Asia and finally allowing China to influence Eurasia (Fleet, 2018).

Opportunities for Canada

The Belt and Road Initiative is an opportunity that would enable Canada to enhance its engagements economically, politically and socially in Asia (Fleet, 2018). Some of the opportunities are (Fleet, 2018):

- "Using Chinese distribution network to spread Canadian Products through Chinese hubs.
- Explore opportunities in Northwestern part of China where Canadian products still have large room to grow from agriculture technologies to clean energy.
- It might help decrease the fees related to exporting [Canadian] products.
- Cross-border investment work between China and other [BRI] countries.
- Infrastructure
- Technology

- Services
- [Canada is] a provider of minerals and products that will be essential to construct the One Belt One Road infrastructure.
- More business activities in [British Columbia] with China, as Pacific Gateway of China to North and South Americas.
- Satellite communications networks are key infrastructural elements of their build out.
- Providing specialised technologies and services for infrastructure development.
- Environment protection around the Silk Road area."

The above mentioned opportunities would enable Canada to formulate effective policies in order to nurture its small and medium sized enterprises (SME's) while opening doors for many Canadian businesses as well. The recent unrest going on between Canada and the United States the BRI could also be envisioned as an initiative towards enhancing free trade agreement talks with China and India and also, further develop relations with ASEAN member states.

Risks and Challenges of the BRI

The various risks and challenges associated with BRI are related to its impact on global supply chains and energy flows, financial repercussions and debt burden on weaker countries that might not be able to repay Chinese loans, and what forms of compensations would China seek in exchange for its capital. Canada's SME's might face challenges associated with the lengthy and complicated process for obtaining certifications, local content requirement and China's customs procedures, disputes related to China- Pakistan Economic Corridor could raise some resentment and conflict amongst other nations, concerns could also arise regarding the adherence to sufficient environmental and social standards (Fleet, 2018).

Conclusion

The potential benefits and risks as identified, require further analysis at a macroeconomic level in order to understand how BRI could actually benefit Canadian SME's, how the projects currently mapped under BRI umbrella will be adjudicated successfully. This would also require further analysis as to how the Canadian businesses could be encouraged to reap the benefits of comparative advantage in the areas of transportation services and its engineering skills in BRI projects. BRI is a great initiative, but Canada would need to be more diligent in order to understand if this would be the right direction and benefit not only economically and politically but also address challenges associated in regards to doing business with Chinese firms (Fleet, 2018).

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RECOMMENDATIONS

That the federal government:

1. Use the infrastructure sector as a means to re-engage with China.

2. Initiate a working group with other levels of government and stakeholders to monitor and advise on the opportunities and risks for Canadian businesses participating in the Belt & Road Initiative, and consider how Canadian participation can be leveraged as a means to re-engage with China. This working group should evaluate the role of Trade Commissioners in supporting Canadian companies participating in BRI projects across the region.

Submitted By: Kamloops Chamber of Commerce

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

48. The Need For A Renewed Softwood Lumber Agreement

DESCRIPTION

The ongoing Softwood Lumber dispute between Canada and the United States continues to bubble. While attention and resources have been focused on securing a renewed NAFTA, the recently signed USMCA, along with the removal of tariffs on Canadian steel and aluminum, allow for an opportunity to re-focus on the urgent need for a softwood lumber agreement that is having a growing impact on Canadian forest companies.

BACKGROUND

The forest industry is one of Canada's largest export sectors. With over \$38 billion in exports in 2018⁹⁵ to many global locations, including approximately \$20 billion to the U.S. alone, forestry supports the direct employment of between 186,00 to 232,000 employees in over 600 communities across the country.⁹⁶

Back in 2002, the U.S. imposed countervailing (CVD) and anti-dumping (AD) tariffs on imported Canadian softwood lumber based on a belief that Canadian, in particular B.C.'s, forestry industry received illegal government subsidies.

Between 2002 up to the previous Softwood Lumber Agreement (SLA) in 2006, the U.S. collected duties of over \$4 billion dollars. The 2006 SLA eventually saw 81 percent of the \$4 billion in AD/CVD refunded to the Importers' of Record, with the remaining 19 percent retained by the U.S. Department of Commerce.

In November 2017, a year after the 1-year freeze from the end of the 2006 SLA, the U.S. Department of Commerce made its final determinations on AD/CVD cases against Canadian forest companies. This resulted in the U.S. International Trade Commission (ITC) making their final injury determination – which was published in federal registry by the Commerce Department in January 2018 – laying out the AD/CVD rates as follows:⁹⁷

Company	CVD	AD
Canfor	13.24%	7.28%
Irving	3.34%	6.04%
Resolute	14.70%	3.20%
Tolko	14.85%	7.22%
West Fraser	17.99%	5.57%
All others	14.19%	6.04%

The current AD/CVD has already impacted approximately \$5.66 billion worth of softwood lumber exports to the U.S.⁹⁸ These duties are starting to impact the success of Canadian forest companies. Many forest companies are starting to feel the effects of these tariffs that are compounded by weak fibre supply. This is starting to result in shift reductions and even mill closures.

While Canada has been successful at appealing these allegations at the World Trade Organization (WTO) and through the North American Free Trade Agreement in the past, a recent WTO panel report

⁹⁵ Forest Products Association of Canada. 2015. Industry By the Numbers. <http://www.fpac.ca/canadian-forestry-industry/forest-products/>.

⁹⁶ <https://cfs.nrcan.gc.ca/statsprofile/employment/ca>.

⁹⁷ <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/softwood-lumber-trade-with-the-u-s>.

⁹⁸ <https://globalnews.ca/news/5167857/canada-wto-ruling-softwood-lumber/>

partially sided with the United States' position on softwood lumber. At the same time, NAFTA Chapter 19 challenges initiated by the federal government are slow to proceed. Of the three challenges to the ITC injury case, the anti-dumping case and the countervailing investigation filed back in November 2017, only the ITC case had a panel hearing.⁹⁹

Given the intensely political nature of this softwood lumber dispute, and strong lobbying efforts by U.S. businesses, is imperative that the federal government secure a renewed SLA with the U.S.

RECOMMENDATIONS

That the federal government:

1. Support the Canadian forest industry as required by:
 - a. Offering loan guarantees to help industry maintain credit and to borrow against cash deposits, so that the industry is not crippled by tariffs;
 - b. Expedite World Trade Organization further appeals and challenges as much as possible and push for NAFTA Chapter 19 hearings to be established immediately, and;
2. Push for a new Softwood Lumber Agreement with the United States that returns AD/CVD to Canadian softwood lumber exporters and contains no other long-term ill effects for the industry or degrades current tariff-free treatment for any region in Canada.

Submitted By: British Columbia Chamber of Commerce

THE INTERNATIONAL AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

⁹⁹ <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/softwood-lumber-trade-with-the-u-s>.

49. Towards a Coherent Digital and Data Policy that Enables Canadian Business Success

DESCRIPTION

Digital innovation, automation and the growth of cross-border digital services are transforming the operating business environment for all industries worldwide, particularly services and services-enabled sectors. As the federal government embarks upon a review of the policies and principles that govern Canada's digital and data economy, it is vital that policymakers and Canadian businesses engage proactively in the shaping of a coherent and balanced policy framework - domestically and across borders - that enables competitiveness and growth.

BACKGROUND

As we move toward a more data-driven and globally connected economy, regulators around the world are increasingly challenged to respond. Laws and regulations governing the digital and data economy, including on issues pertaining access, privacy, informed consent and security, are simultaneously advancing across jurisdictions, increasing the risk of costly and less-secure patchwork regulation.

In May 2019, Canada's Minister for Innovation, Science and Economic Development, presented a Canadian Digital Charter, a principled approach to guiding future policy for the digital and data economy. Also in 2019, 76 members of the World Trade Organization launched discussions to negotiate a plurilateral e-commerce agreement. Meanwhile, the recently modernized Canada-U.S.-Mexico trade Agreement (CUSMA), which contains ground-breaking provisions for digital trade, is set for implementation in Canada over the coming months.

These efforts respond to a need for a common and modern set of rules that reflect today's interconnected global marketplace in which businesses operate regardless of their size. In order for Canadian businesses to grow, compete and take full advantage of technological advances, our principles-based digital and data rules framework must reflect our country's unique strengths while at the same time seek alignment with international partners.

To achieve this, Canada must first align our internal priorities, ensuring that the various government departments and regulating agencies coordinate amongst themselves and engage proactively with stakeholders. On the global stage, particularly our engagement in WTO e-commerce negotiations, it will be essential that Canada continues to advance bilateral and multilateral commitments that allow the free-flow of cross-border transfer of data and that prevent data localization requirements. In addition, Canada should maintain its international engagement to promote the global interoperability of privacy frameworks.

RECOMMENDATIONS

That the federal government:

1. Delivers a coherent principles-based policy framework governing the digital economy, data, and privacy, both domestically and across borders, to allow Canadian businesses to compete on a level-playing field globally while preserving the trust of consumers.
2. Engages proactively with Canadian business stakeholders as it advances Canada's data governance principles.

3. Pursues a coordinated approach across federal government departments and regulating agencies.
4. Continues to support bilateral and multilateral commitments that allow the free-flow of cross-border data and that prevent data localization requirements, with a particular focus on the WTO e-commerce negotiations.

Submitted By: Canadian Services Coalition, Canadian Chamber of Commerce

Natural Resources, Energy and Environment

50. A Resolution for a More Robust Climate Strategy

DESCRIPTION

At present, the federal government's climate policy and approach to carbon tax has significant gaps that hurt small to medium businesses and fail to drive down GHG emissions and drive adaptation. This resolution seeks to address these gaps by advocating for a proportionate and transparent system of carbon pricing for SMEs, greening the tax system and advancing energy efficiency, and proposing measures to drive climate adaptation through improved infrastructure.

BACKGROUND

Background

The Canadian Chamber and Chamber Network have long advocated the importance of effective and pragmatic action on Climate Change. Since 2011, the Chamber Network has supported a resolution on carbon pricing as one of the key ways in which the Canadian business community can take effective action on Climate Change. However, this support was conditional that any tax applied to carbon would meet several specific requirements. These include revenue neutrality, creating programs to use revenues from pricing mechanisms to fund new clean and energy efficiency technologies, and finally a concomitant reduction of the other costs of business.

There can be no doubt that since 2011, the need for Canadian businesses, and for that matter all Canadians, to take action on climate change has become very real. It is estimated that by 2050 the economic costs of climate change could be \$21-43 billion a year, knocking a full 1% off our national GDP. Mountain pine beetle, a consequence of warmer winter temperatures, has reduced the economic value of over 18 million hectares of forest.¹⁰⁰ In northern Canada, thinner ice and shorter winters are disrupting the transportation of goods, forcing both businesses and households, to transport more goods by air. At the same time, clean and low carbon technologies will create a global market opportunity worth over a 1 trillion dollars a year.¹⁰¹ Ensuring Canada leads on these technologies will create economic opportunities for all Canadians and help us take significant action on Climate Change.

As such, the next federal government must develop a climate policy that gives Canadian businesses the opportunity to guide the transition to the low carbon economy, confront the costs of climate adaptation, catalyze investment in resilient infrastructure and mitigate against other associated costs of emerging ecological realities. Decision-makers must work with businesses of all sizes to confront these challenges and maintain Canada's economic competitiveness.

On April 1st 2019, the federal government implemented a carbon fuel surcharge in New Brunswick, Ontario, Manitoba, and Saskatchewan that put a price on an array of fossil fuels through the Pan-Canadian Framework on Clean Growth and Climate Change. Ninety percent of the revenue generated by this carbon pricing mechanism will be returned to households in these federally backstopped provinces in the form of a rebate. This pricing mechanism is estimated to yield GHG

¹⁰⁰ <https://policyoptions.irpp.org/magazines/november-2016/the-real-cost-of-climate-change-in-canada/>

¹⁰¹ <https://info.ccc.ca/insights-for-exporters/a-trillion-dollar-market-ripe-for-canadian-cleantech-exporters>

emission reductions of 50-60 megatonnes in 2022¹⁰², approximately 47 percent of Canada's Nationally Determined Contribution (NDC) under the Paris Agreement. At this time, only 6% of the revenue generated from the fund will be returned to small and medium businesses through rebate programs and a project funding application system. This approach will not ensure that the funds generated from a price on carbon will form an effective feedback loop that allows business to reduce their exposure to the price on carbon.

The Challenges

The Canadian Chamber has long supported putting a price on carbon, which stems from the fact that when implemented properly, a price on carbon is the most cost-effective, flexible way to drive down GHG emissions and combat climate change.

However, the current revenue distribution scheme of the funds collected through the carbon fuel surcharge does not address the needs and concerns of small to medium companies that often lack the capital to make significant investments in energy efficiency and clean technologies. In particular, the revenue structure of the carbon fuel surcharge assumes that businesses will pass on the majority of their carbon liability to consumers and therefore will not require unique supports and resources to reduce their exposure to the carbon price. Pass through of carbon liability to consumers will serve only to increase the overall cost of products and services by SMEs and may inadvertently contribute to competitiveness issues and carbon leakage.

This model is not revenue neutral and distributes the revenue collected from the fuel surcharge ineffectively, leaving business without the necessary resources to make investments to lower their exposure to their carbon liability. We need a plan that closes the feedback loop so that companies can continuously improve and effectively reduce their GHG emissions and support Canada's NDC. The plan should acknowledge that a one-size fits all approach will unduly disadvantage some businesses, and should provide the flexibility to make improvements as they see fit.

Mobilizing effective action on climate change requires that we utilize as many mechanisms to incent as many cost-effective actions as possible. Other countries have attempted to green their tax systems to create new incentives for businesses and homes to seek further emission reductions. The Netherlands, for instance, has developed an early adopter tax incentive for companies that procure energy efficiency technologies from either small or medium sized enterprises. The UK offers an accelerated depreciation allowance for energy efficiency equipment and technology, so that companies can replace old, energy consuming equipment with better models, which allows them to cut their operational costs. Canada should take similar steps to green its tax system to encourage investment in clean technology, spur uptake, and support businesses that are creating new energy efficiency and clean technologies.

Infrastructure and Weather

Extreme weather events are becoming increasingly disruptive and costly to businesses across the country. In 2018 severe weather costed the Canadian economy \$1.9 billion in insured damages. This forms part of a longer trend of increasing costs from extreme weather related damage. Between 1983 and 2008, Insurers paid out an annual average of \$250 million to \$450 million in extreme weather event

¹⁰² <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/fall-2018-update-estimated-impacts-federal-pollution-pricing-system.html>

related insurance claims. However, over the past decade these annual payouts have surged to more than \$1 billion annually. Canada is not alone in this trend, according to Munich Re, global insured losses from natural disasters in 2018 totalled US \$80 billion, double the 30-year average of \$41 billion.¹⁰³ Unfortunately, these costs are expected to escalate with Canada facing annual costs of between \$21 billion and \$43 billion by the 2050s.¹⁰⁴ Without question, extreme weather will create more work disruptions, impact supply chains, create property damage for Canadian businesses and lead to higher premiums for both commercial and residential insurance packages. In fact, this year rates on most commercial and residential packages increased, on top of inflation, from 5 to 10 percent and costs of deductibles in most policies increased as well directly in response to extreme weather events.¹⁰⁵

At present, when an extreme weather event destroys property or disrupts supply chains, property owners, small businesses, and farmers can be supported through the Disaster Financial Assistance Arrangement program. However, the programs capacity to cover the costs of climate change-related events is becoming increasingly uncertain. From 2005 to 2015, the cost of payouts from the program has tripled and it is estimated that by 2050 the cost of climate change in Canada could range from \$21 billion to \$50 billion dollars a year up from an assessed \$400 million today. This tremendous increase in cost, coupled with the potential for decades of low economic growth caused by shifting economic conditions, could reduce the capacity of the government to provide meaningful financial supports to small businesses.

Addressing these costs will require significant capital investments in weather resilient infrastructure, such as improved transportation systems, flooding prevention infrastructure, to the physical hardening of energy distribution systems. Neither can these costs fall on business nor can business bear the costs of inaction on climate change.

It also cannot be understated that the challenges posed by climate change and also the current carbon tax system are national in scope. Extreme weather, such as forest fires, flooding, faster thaws in Northern Canada, will affect local communities and simultaneously draw wealth out of our national economy. Similarly, the carbon fuel surcharge though only in force in four provinces, will have a national impact in two key ways. First, the carbon fuel surcharge will cover forty-four percent of all SMEs in Canada.¹⁰⁶ By putting the competitiveness of nearly half of Canada's SMEs in jeopardy, the carbon tax will hurt provincial and federal revenue, and has the potential to create a knock on effect by dampening business-to-business sales across Canada. Moreover, by only returning six percent of the revenue to SMEs, it will harm efforts to reduce GHG emissions and investment in adaptation measures, which again increase long term costs and harm Canada's economy nationally.

As such, it is imperative that Canada pursue an integrated climate change and energy strategy that will allow it to reduce GHG emissions both here and globally. A carbon pricing mechanism should be part of this strategy as it allows business to pursue efficient and flexible approaches to GHG emission reductions and energy efficiency. However, it must be accompanied by other measures that together will give businesses more flexibility in how they reduce their emissions and also tools to defray or avoid other costs associated with climate change, such as extreme weather, and infrastructure destruction.

¹⁰³ <https://www.theglobeandmail.com/investing/markets/inside-the-market/article-experts-warn-of-surging-costs-hitting-insurance-profitability-if/>

¹⁰⁴ Thermometer Rising—Climate Change and Canada's Economic Future, Deputy Governor, Bank of Canada Remarks in March 2017)

¹⁰⁵ <https://www.insurancebusinessmag.com/ca/news/breaking-news/broker-points-to-climate-change-as-reason-for-rising-home-insurance-rates-163044.aspx>; <https://alpineinsurance.ca/climate-change-and-your-insurance-premiums/>

¹⁰⁶ https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html#point1-1

Terms of Reference

Carbon Price: applying a cost to carbon that is representative of the social, economic, and ecological costs of using GHG emitting fuels.

Carbon Tax: A pricing mechanism to transform the price applied to carbon into an explicit cost borne by all actors in the Canadian economy when they consume or utilize GHG emitting energy sources.

Revenue Recycling: The ultimate purpose of a carbon tax is get firms and other actors to change their behavior to reduce their exposure to the tax. To do this they must either reduce the total emitting energy they consume or find ways to utilize energy that is lower or non-emitting. To be effective, a carbon tax must ensure that the revenue created by the tax is recycled and used to drive innovations in energy efficiency or clean technologies that firms can adopt to reduce their exposure to the tax. Key to the revenue recycling approach is that the more a firm pays the more revenue it will need to reduce its exposure to the tax, a proportionality that does not exist in the current carbon tax plan that has been implemented. The added benefit is that revenue recycling not only helps firms reduce their exposure but it keeps these funds in the economy and drives businesses that provide goods and services in technologies and practices that will help firms lower their emissions.

Output Based Pricing System: This is a system developed for large energy intensive trade exposed emitters. Unlike a carbon tax, this system creates different paths for compliance. The OBPS ensures that large emitters are exposed to a carbon price without sacrificing competitiveness to other jurisdictions. At this time, the revenue-recycling plan proposed in this resolution would only apply to the revenue generated by the explicit price on carbon created by the carbon tax- not other implicit pricing mechanisms.

RECOMMENDATIONS

That the federal government:

1. Ensure that carbon pricing is accompanied with a reduction to regulations and other costs to maintain the overall costs of doing business in Canada and support our global competitiveness.
2. Green Canada's tax system to encourage investments in actions and activities that reduce GHG emissions. These tax incentives should refine and build on best practices used by other countries but as a principle should be agnostic to sector and technology types and instead focused on climate outcomes measured against Canada's Nationally Determined Contribution. As a start, we recommend that class 43.1 43.2 of Schedule II of the Income Tax Regulations (Tax Incentives for Clean Energy Equipment) be expanded to include capital cost allowances for energy efficiency systems in addition to renewable clean fuel equipment.
 - 2.a fuel source agnostic and outcome driven tax incentives should be devised to subsidize investment and use of low-emitting fuels to accelerate the decarbonisation of Canada's transportation sector.
3. Develop a principle of firm level recycling of carbon pricing revenue for the funds generated by the carbon fuel surcharge (this model of revenue recycling at this time is being proposed only to revenues generated by the carbon fuel surcharge, though it could potentially be applied to the OBPS at a later date). Conceptually, carbon-pricing revenue paid by a company would be collected into one fund. Companies would then access this fund with the ability to draw up to the maximum they paid in carbon tax to pay for upgrades and capital investments related to

climate resiliency, energy efficiency, and/or reduction of GHG emissions. Either companies could decide to withdraw from this fund on an annual basis, withdrawing what they paid in carbon tax for that year or, depending on their size and exposure, they could decide to let their total available withdrawal to accrue year-over-year for a maximum of seven years from when the first payment into the fund was made. This measure would ensure that companies are given access to resources to upgrade to energy efficiency products or clean technologies that is proportionate to their exposure to the carbon tax. It is essential, that firms have resources that are directly proportional to their exposure to carbon pricing- a feature that is currently missing in the federal government's pricing system.

- These climate funds would therefore have the effect of greatly reducing government's administrative costs currently associated with managing the implementation of carbon pricing.
 - Funds not withdrawn by the firm after a 10-year period (in line with Canada's 2030 target) would be recycled into a common low carbon fund to advance innovation in clean technologies. For example, a company that started paying carbon tax in 2019 could choose to make no withdrawals until 2029. In the year 2030, had that company made no withdrawals that company would only be able to withdraw a maximum total equal to the carbon tax they paid from 2020-2029. The tax collected in 2019 would have exceeded the ten-year window and would be collected into the common low carbon fund and, therefore, no longer available to the company.
 - This revenue distribution and collection process would be far less resource intensive to administer and avoid the issue of picking "winners and losers" as is often the case with government-targeted programs.
4. Allow for companies that make investments through the firm-level recycling provision to also be eligible to apply a greater share of their insurance premiums against their tax.
 5. Create a unique branch within the Canadian Infrastructure Bank dedicated to funding major infrastructure projects that will allow for the construction of climate resilient infrastructure and adaptation with a particular focus on extreme weather events and risks to supply chains, transportation and energy delivery infrastructure. Specific incentives could be devised to create public and private partnerships between the Bank and Canada's major insurance providers.

Submitted By: Canadian Chamber of Commerce Natural Resources and Environment Committee

Co-sponsored by: Canadian Chamber of Commerce SME Committee

51. Align the Species at Risk Act to Respond to Regional Biodiversity Conservation Needs

DESCRIPTION

As Canada's natural resource industries strive to be responsible, constructive partners in achieving national biodiversity objectives, alignment and coordination with federal, provincial, and territorial, as well as land use ministries, as proposed in the National Accord for Species at Risk, is essential.

BACKGROUND

Mineral and forestry industry challenges are compounded by the underlying issues of the Species at Risk Act (SARA), including the inadequate coordination between the federal and provincial/territorial levels of government.¹⁰⁷

A more effective and stewardship driven approach to species at risk conservation and recovery, including long-term compliance and permitting mechanisms, is needed in order to deliver positive outcomes on the ground while at the same time providing clarity to project proponents.^{108 109}

Encouraging sustainable development projects means adopting an effective approach to optimizing environmental, social, and economic priorities on the landscape that reconciles the needs of conservation of biodiversity and ecosystem function with that of resource development, community priorities, and the needs of other land users.¹¹⁰

Under SARA, the Committee on the Status of Endangered Wildlife in Canada is required to assess species at risk,¹¹¹ however, the process of listing a species is discretionary.¹¹² Planning for conservation should be done at the landscape level and should ensure that all values of the land are understood and considered in decision-making.

To provide an example, three pieces of legislation exist in Ontario under three separate ministries that oversee endangered species including the Crown Forest Sustainability Act (CFSA) under the Ministry of Natural Resources, the Endangered Species Act under the Ministry of the Environment, Conservation and Parks (MCEP), as well as the Federal Government's SARA. At present, the CFSA appears to be the best approach as it targets managing large landscapes over time and space. By ensuring we have the natural distribution of habitats on our forests for the long run, this provides the best opportunity to ensure habitat for as many species as possible.¹¹³ Alternatively, the Endangered Species Act in Ontario focuses more on individual species than on habitat.¹¹⁴ This leads to conflicting goals even between endangered species. For example, the whip-poor-will requires a younger conifer forest while caribou have an affinity to older forests.^{115 116} The CFSA approach accommodates this by providing a diversity of habitats better.¹¹⁷

¹⁰⁷ <https://www.facetsjournal.com/doi/10.1139/facets-2018-0042>

¹⁰⁸ <https://institute.smartprosperity.ca/sites/default/files/sr-02-01-18-final.pdf> pg. 30

¹⁰⁹ Natural Resources Canada, "Implementing Ecosystem-based Management Approaches in Canada's Forests", 2008.

¹¹⁰ Ibid.

¹¹¹ Species at Risk Act, SC 2002, c 29, s.14 [SARA].

¹¹² Ibid.

¹¹³ Email correspondence with Chamber member Rayonier Advanced Materials, July 2019.

¹¹⁴ http://www.georgemorris.org/publications/ON_Endangered_Species_091410.pdf

¹¹⁵ https://www.birdscanada.org/download/ONSARBMP_EN.pdf

¹¹⁶ <http://wildlandsleague.org/attachments/2006.05.CPAWS.Report-Caribou.pdf>

¹¹⁷ Crown Forest Sustainability Act, 1994, S.O. 1994, c. 25

Resource industries continue to demonstrate resource stewardship vital to our nation's economy, for industries maintaining market access, and job creation.¹¹⁸ These efforts should be designed to foster trust and cooperation between governments and stakeholders and that solutions be pragmatic. In the past, mining proponents faced SARA-related barriers during the environmental assessment process. The narrow application of the Canadian Environmental Assessment Act (CEAA 2012) led to mining projects being held accountable for cumulative effects on species and habitat caused by ongoing non-mining activities that were not subject to CEAA 2012. The result of which meant projects being delayed or shelved.

SARA's scope, which disproportionately focuses on mining and forestry industries, creates delays and uncertainty for projects in regions where species listed under SARA or their habitat are found on provincial Crown land.¹¹⁹ A specific concern related to the Species at Risk Act is primarily related to caribou, and the arbitrary 35 percent disturbance threshold-- a further disadvantage to industry with little evidence to support.¹²⁰ The Species at Risk Advisory Committee and the National Boreal Caribou Knowledge Consortium are important fora for exploring solutions with other industries, civil society and Indigenous partners, however the current approach fails both caribou and industry.¹²¹

Forestry companies are also faced with job loss, mill closures, and reduction in total industry wood supply requirements in staggering numbers as a result.¹²² Impacts in caribou-specific regions have already seen a direct or indirect job loss between 278 to 2837 positions. Furthermore, the expected reduction in provincial Gross Domestic Product ranges from \$27 million to \$166 million and reduced tax revenue between \$16 million and \$166 million in these respective regions. Figures that are echoed by forestry industries in other provinces.¹²³

The recent policy shift, described in the Pan-Canadian Approach to Transforming Species at Risk in Canada, offers promise of a more collaborative, multi-species approach to conservation and recovery.¹²⁴ However, this approach is not yet reflected in SARA guidance, recovery strategies, conservation agreements, etc. and it is still too early to determine if the appropriate tools, government organizational and programmatic structure, and regulations will be put in place for this change to take place to achieve better outcomes.¹²⁵

Effective implementation of the Pan-Canadian Approach to Transforming Species at Risk in Canada must be informed by the best available information on species at risk, including research and data supplied by industry partners. The mining sector has contributed significantly over the years towards enhancing the understanding of species at risk through monitoring program, research funding and in-kind support on various initiatives. Decision-makers must have access to these data to ensure that the best-available scientific information informs actions on the ground.¹²⁶

¹¹⁸ <https://www.ourcommons.ca/DocumentViewer/en/37-1/ENVI/meeting-9/evidence>

¹¹⁹ <http://www.cfs.nrcan.gc.ca/pubwarehouse/pdfs/28282.pdf>

¹²⁰ https://www.pdac.ca/docs/default-source/priorities/public-affairs/cmif-emmc/cmif-brief-2018-emmc-final-en.pdf?sfvrsn=cfc08598_0

¹²¹ Email correspondence with Chamber member EACOM Timber Corporation, July 2019.

¹²² <https://vancouversun.com/opinion/columnists/vaughn-palmer-john-horgans-lack-of-consultation-with-industry-concerns-west-fraser-boss>

¹²³ According to statistics from EACOM Timber Corporation, July 2019.

¹²⁴ <https://www.canada.ca/content/dam/ecccc/documents/pdf/species-risk/pan-canadian-approach-transforming-species-risk-conservation-canada.pdf>

¹²⁵ Email correspondence with Canadian Mining Association, July 2019.

¹²⁶ <https://institute.smartprosperity.ca/sites/default/files/sr-02-01-18-final.pdf> pg. 31

Most importantly, the Pan-Canadian Approach must continue to recognize that provinces and territories are best suited to manage land-based decisions. The recently negotiated draft Section 11 Conservation Agreement (between Canada and British Columbia) and the draft Partnership Agreement (between British Columbia, Canada, West Moberly First Nations and Saulteau First Nations) focused on the recovery of southern mountain caribou in BC as well as the draft conservation agreements for boreal caribou in several provinces and territories demonstrate that efforts are being made for increased coordination and cooperation between federal and provincial/territorial governments.¹²⁷ As these important agreements are implemented, all partners must work to meaningfully engage with Indigenous communities and stakeholders to ensure all views are taken into consideration as difficult land-use decisions are made.

Coordination on the definition of critical habitat is essential to ensure recovery actions are consistent and provide clarity for land users. In order to generate realistic predictions, species distribution models require the accurate co-registration of occurrence data with environmental variables. A common approach to species at risk, as outlined in the National Accord for the Protection of Species at Risk,¹²⁸ is necessary for the successful protection and recovery of species at risk across the country. As such, a more effective, inclusive, and stewardship-driven approach is needed.

RECOMMENDATIONS

That the federal government:

1. Under the Species at Risk Act, work with provinces and territories to ensure disturbance thresholds are based on regional circumstances, scientifically supported, and published in the short-term.
2. Consider an alternative multi-species approach that is region-specific and allows for regional variability and consideration of location-based circumstance.
3. Improve transparency and access to species at risk data to help identify gaps and research funding priorities, while ensuring actions on the ground are informed with best available information.
4. Work with provincial and territorial governments to encourage consistent and complementary approaches to species protection and recovery, and to ensure the application of available information needed to support protection and recovery efforts.
5. Meaningfully engage with Indigenous communities and stakeholders on the development and implementation of Section 11 Conservation Agreements.

Submitted By: Timmins Chamber of Commerce

Co-sponsored By: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Thunder Bay Chamber of Commerce,

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION.

¹²⁷ <https://www.energeticcity.ca/2019/06/province-implements-interim-moratorium-on-the-protection-of-the-caribou/>

¹²⁸ <https://www.registrelep-sararegistry.gc.ca/6B319869-9388-44D1-A8A4-33A2F01CEF10/Accord-eng.pdf>

52. Crush and Credit: Put Control of Recyclables Management into the Hands of the Private Sector

DESCRIPTION

Although the return rate in Canada is good in many urban areas for recyclables, improvement is possible to reduce containers going into the waste stream. Current recyclable laws in Canada generally place restrictions on the amount of bottles and cans consumers can return to retailers. Also, the returns must have been purchased at the retailer who accepts them, in most cases.

An increasing amount of container waste has created critical issues regarding container disposal due to a limited number of landfills and restricted recycling depots, particularly in rural Canada. It is pivotal to adopt new recycling technology to manage waste effectively.

BACKGROUND

Current manual recycling methods discourage users who are required to collect the waste in bulk. The reverse vending machine (RVM) can be used in varied applications and provide refunds to customers by identifying the amount for each container, some right at the point of purchase. As a business opportunity, the revenue growth of the global reverse vending market is driven by new installations and servicing of older machines. Governments continue to pass new regulations to promote the reuse, reduce, and recycle philosophy. This is anticipated to propel the demand for reverse vending machine demand¹²⁹ in the immediate future. Canada lags far behind Europe, Australia, New Zealand, and the US in adopting this new technology and offering entrepreneurial business opportunities.

In Quebec, the Government announced a \$15 million subsidy (May 28, 2019) to help retailers modernize their reverse vending machines by 2021.¹³⁰ The newer machines can offer e-payment and charitable donations. In BC, Encorp Pacific has one trial RVM in place as a pilot in a return depot. Other provinces lag behind in adopting the technology.

Globally, RVMs collected more than 40 billion cans and bottles in 2018. This number is up 5 billion in only one year.¹³¹ Millions of those were contributed by North American consumers, most of whom are in the US. Extrapolation suggests the growth potential for new businesses in Canada is robust. Unlike returning material to a mass return depot, when a plastic bottle is returned to an RVM the material is protected from contamination from other types of household waste. The bottle maintains its food-grade status and can be turned back into another plastic bottle in a 'closed loop' - it does not get downcycled or thrown away.

Containers contribute to the waste stream across Canada and around the world. Trucking of empty containers to central depots has an unnecessarily large carbon footprint, due to air in empty containers, prior to their being crushed and re-distributed to recycling users. Reverse vending functions through UPC codes, and vendor credits.¹³²

¹²⁹ The reverse vending machine market can be categorized as a broader industry for waste sorting, gathering, and recycling. The service amount depends upon the machine's volume and age, wherein higher volume machines require longer servicing cycles. Technological advancements in reverse vending machines such as video recognition systems, touch panels, and smart card vouchers are expected to enhance the user experience. This, in turn, is anticipated to propel the market. The Independent, January 3, 2019

¹³⁰ <https://plq.org/en/press-release/15-millions-consignment-can-bottle-returns/>

¹³¹ *ibid*: plq.org

¹³² <https://www.youtube.com/watch?v=gPmBJxKT07U>

Return rates internationally in countries introducing in-retailer “reverse vending machines” are in the high 80% - high 90% range¹³³. Individual deposit rates on containers in Canada are low by international and other provincial standards, averaging 5¢ to 10¢ versus an average of 40¢ internationally (Norway, Sweden, Australia). When reverse vending machines are readily available, container waste drops by an average of 50%. Higher deposit rates encourage higher recycling rates.

The reverse vending machine presents a robust new business growth opportunity. One market analysis predicts a 10.5% Compound Annual Growth Rate hitting \$570 million USD by 2024.¹³⁴ Installing and servicing machines is a mature industry in Europe and Australia,¹³⁵ where the machines were adopted in the 1970s, and increasingly, in the US. Quebec has used reverse vending machines for many years. The business opportunity in provinces across Canada for introduction and growth is enormous¹³⁶.

Internationally, innovative recycling methods increase recycling percentages. Manufacturers have low incentives to improve recycling rates. Tetra packs have a laborious delamination process prior to recycling. This packaging is cheap for suppliers to manufacture but lacks consideration of environmental impact. Some provinces employ the newer “bag drop system” in use now across Canada and in the US, but it's often restricted to bottle return depots. In this iteration, bulk bags are marked with a UPC code based on consumer-entered information, and automatic deposits of return funds are made to the consumer's bank account. The system is unwieldy and still requires a trip to bottle depots. The bulk system currently uses single use plastic bags that are increasingly on the radar for elimination from usage streams.

RECOMMENDATIONS

That the federal government:

1. Promote RVMs to increase the recyclable stream:
 - a. To address plastics waste in landfills; and,
 - b. To create new business opportunities
2. Increase deposit fees on all recyclables to encourage higher return rates.

Submitted By: Penticton & Wine Country Chamber of Commerce

Co-sponsored By: Kelowna Chamber of Commerce, Greater Vernon Chamber of Commerce, Greater Westside Board of Trade, Peachland Chamber of Commerce and the Summerland Chamber of Commerce.

¹³³ “Can Norway help us solve the plastic crisis, one bottle at a time?” July 12, 2018 <https://www.theguardian.com/environment/>

¹³⁴ <https://www.marketwatch.com/press-release/at-105-cagr-reverse-vending-machine-market-size-is-expected-to-exhibit-570-million-usd-by-2024> May 6, 2019 Heraldkeeper via COMTEX

¹³⁵ The reverse vending machine market can be segmented based on product type, machine use, capacity, end-use, and regions. In terms of product type, the market can be divided into metal recycling, plastic bottle recycling, and multifunction recycling. Based on machine use, the reverse vending machine market can be classified into commercial, industrial, and residential. In terms of capacity, the market can be categorized into less than 200 (cans or bottles), 200 – 300 (cans or bottles), 300 – 600 (cans or bottles), and more than 600 (cans or bottles). Based on end-use, the market can be segmented into distributors, retailers, municipalities, and beverage industries. SBWire, July 27, 2018

¹³⁶ America, Europe, Asia Pacific, Middle East & Africa, and South America. North America is expected to dominate the market as the region has stable demand for reverse vending machines from governments, retailers, and beverage industries. The market in Asia Pacific is expected to expand at a significant compound annual growth rate from 2017 to 2025 due to the expansion of the food service industry. SBWire, July 27, 2018

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE DOES NOT SUPPORT THIS
RESOLUTION

53. Domestic Reclaimed Water Use

DESCRIPTION

Health Canada has guidelines for domestic reclaimed water use in toilet and urinal flushing but Alberta does not follow these guidelines as our province does not use reclaimed (grey) water.

BACKGROUND

Background

In May 2001, British Columbia published a code of practice for the use of reclaimed water (BCMELP, 2001)¹³⁷, which serves as a key reference and guidance document for the use of reclaimed water in British Columbia and is designed to support the regulatory requirements prescribed in the municipal sewage regulation. In 2002, it was stated that roughly three per cent of wastewater in B.C. is reused (Maralek et al, 2002) and reuse is a key component in British Columbia's water conservation strategy. Currently, these guidelines do not apply to Alberta as Alberta does not differentiate between black water and grey water. All sanitary effluent is considered black water only.

Statistics Canada indicates that grey water is a huge source of potentially reusable water. Treated grey water can be reused for toilet flushing, irrigation and industrial use. Currently there is no regulation for households to recycle their grey water.

Canadian statistics state that 35 per cent of the average household's water is considered grey water (showers and bath water). Thirty per cent of the average household water usage is for toilet flushing. Therefore, if the use of grey water was regulated, it could be reused for toilet flushing which saves fresh water for other uses.

A recent study (June 25, 2012) has found that citizens in a water – stressed basin of Spain are willing to pay over \$5 extra on top of their monthly water bill to treat wastewater that can be used to replenish river flows. Over-extraction of river water for use in agriculture and by cities reduces water flow in rivers and may lead to environmental stress. Reclaimed water can be released into rivers to boost water flows.

Currently in Spain, reclaimed water accounts for 12.8 per cent of irrigated water used in the area of city dwellers. It is estimated that increasing the river flow would generate a benefit of \$32.56 million a year.¹³⁸

RECOMMENDATIONS

That the Federal the Government of Canada:

1. Adopt guideline values as per Canadian Guidelines for Domestic Reclaimed Water for Use in Toilet and Urinal Flushing by Health Canada as a starting point with opportunity to move forward for additional recycle of water options in the future.
2. Encourage the use of domestic reclaimed water and storm water in toilet flushing, irrigation and industry.

¹³⁷ [http:// www. globe-net.com/articles/2012/june/25/recycled-wastewater-could-boost-river-flows](http://www.globe-net.com/articles/2012/june/25/recycled-wastewater-could-boost-river-flows)

¹³⁸ [http:// www. globe-net.com/articles/2012/june/25/recycled-wastewater-could-boost-river-flows](http://www.globe-net.com/articles/2012/june/25/recycled-wastewater-could-boost-river-flows)

Submitted By: Camrose Chamber of Commerce

Co-sponsored by: Sherwood Park & District Chamber of Commerce

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION
PENDING THE ADOPTION OF RECOMMENDATIONS THAT WOULD ALLOW RECLAIMED
WATER TO BE MEASURED.

54. Enable Municipal Infrastructure to Withstand the Challenges of Climate Change

DESCRIPTION

Canadian municipalities are unprepared for the impacts of climate change. This unpreparedness poses an existential threat to many businesses across the country, who will suffer the effects of extreme weather, flooding, drought, fires, severe storms, cold, and the other destructive results of a climate increasingly hostile to human habitation. However, municipal governments already face sizeable infrastructure deficits while many provincial governments in Canada, including those of the most populous provinces, are themselves beset by enormous debts. In order to safeguard Canadian businesses and the Canadian people against these threats, the Government of Canada must make more resources available for local preventative measures.

BACKGROUND

The effects of climate change will dramatically intensify in the decades to come, but they are already being felt now. Canada has received a higher level of warming since 1948 than most countries in the world, and has seen a correspondingly higher level of climate impact, with Canadian weather warming at twice the global average rate.¹³⁹ In May of 2019, fresh extreme wildfires in Calgary forced 5,000 residents to evacuate, causing dangerous levels of air quality in British Columbia.¹⁴⁰ Severe flooding in Toronto in 2017 forced the closure of the Islands tourist hotspot for most of the busy season, while similar levels of flooding are being seen again this year.¹⁴¹ A Quebec heatwave in the summer of 2018 killed 54 people.¹⁴²

These changes have a huge impact on Canadian businesses, and that impact will only grow. Between 2020 and 2040, in Halifax alone, GDP impacts from climate-related storm surge will increase from \$0.4 to \$3.1 million, with cumulative direct and secondary impact reaching over \$35 million, while impacts from extreme wind increase from \$2.8 to \$8.4 million, and total impacts exceeding \$140 million.¹⁴³ Canadian insurance claims due to natural catastrophes have risen from \$400 million per year a few decades ago to over \$1 billion per year in 2018.¹⁴⁴ This is likely an underestimate, as climate events not considered catastrophic (i.e. total claims under \$25 million) are not included. Annual payments by the Disaster Financial Assistance Arrangements (DFAA) offices have increased from \$100 million per year, two decades ago to \$2 billion in 2013-2014.¹⁴⁵

A 2019 study of 63 municipal governments in the most populous communities in Canada found that municipal governments have spent insufficient time and resources preparing for climate change, have

¹³⁹ Environment and Climate Change Canada. (2015). Impacts of Climate Change. Retrieved from <https://www.canada.ca/en/environment-climate-change/services/climate-change/impacts.html> on 2019-05-14.

¹⁴⁰ Little, Simon. (2019-05-27). Much of northern B.C. under air quality advisories due to Alberta wildfires. Global News. Retrieved from <https://globalnews.ca/news/5321955/alberta-bc-smoke-advisory/> on 2019-05-27.

¹⁴¹ Hayes, Molly. (2019-05-26). Toronto area of Lake Ontario approaches flood levels seen in 2017. Globe and Mail. Retrieved from <https://www.theglobeandmail.com/canada/toronto/article-toronto-area-of-lake-ontario-approaches-flood-levels-seen-in-2017/> on 2019-05-27.

¹⁴² British Broadcasting Corporation (2018-06-06). Up to 54 deaths linked to southern Quebec heat wave. BBC. Retrieved from <https://www.bbc.com/news/world-us-canada-44731929> on 2019-05-14.

¹⁴³ Insurance Bureau of Canada (2015). The Economic Impacts of the Weather Effects of Climate Change on Communities.

¹⁴⁴ Richard Forbes (2018). Canadian Industrial Outlook: Insurance – Winter 2018. Conference Board of Canada.

¹⁴⁵ Glen Hodgson (2018-05-15). The costs of climate change are rising. Globe and Mail. Retrieved from <https://www.theglobeandmail.com/business/commentary/article-the-costs-of-climate-change-are-rising/> on 2019-05-14.

failed to implement, monitor, and evaluate climate change plans, and where such plans exist, they have largely focused on mitigation rather than adaptation.¹⁴⁶

Municipal governments are severely challenged to maintain the infrastructure that they currently manage, let alone renovating infrastructure and building new infrastructure to cope with the mounting challenges of climate change. Nearly 35% of municipal assets in Canada need attention, with assets in all categories in a declining state of repair, and the cost to replace assets in very poor or poor condition alone would total \$141 billion.¹⁴⁷ Adding those in fair condition, which the Federation of Canadian Municipalities classifies as also in need of attention, would add another \$247 billion.¹⁴⁸ This neglect is not occurring for lack of will, but for lack of funding. Canadian municipalities collect less than 12 cents out of every tax dollar, and 80% of their budgets must go to services, not capital infrastructure.¹⁴⁹

While some responsibility for helping municipalities adapt their infrastructure to these challenges rests with the provincial governments, it should be noted that many are struggling with heavy debt loads. Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland & Labrador all run debt-to-GDP ratios well above the 31.3% rate of the federal government.¹⁵⁰ It is highly unlikely that the provincial and municipal governments alone could tackle this problem without federal assistance. However, large-scale federal projects are not a catch-all solution, and so it is recommended that funding and resources be disbursed at a local level as well.

RECOMMENDATIONS

That the federal government:

1. Conduct an assessment, in partnership with the Federation of Canadian Municipalities and the provincial and territorial governments, of current and likely future municipal infrastructure shortfalls impacted by climate change to aid in decision-making over funding requirements and allocation; and
2. Devote funding and resources sufficient to develop and retrofit municipal infrastructure to anticipate and mitigate the economic impacts of climate change

Submitted By: Greater Niagara Chamber of Commerce

Co-sponsored By: Newmarket Chamber of Commerce, Vaughn Chamber of Commerce

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION.

¹⁴⁶ Thistlethwaite, Jason (2019). Evaluating the quality of municipal climate change plans in Canada. *Climatic Change* 152 (1), 121-143.

¹⁴⁷ Canadian Construction Association, Canadian Public Works Association, Canadian Society for Civil Engineering, Federation of Canadian Municipalities (2016). *Canadian Infrastructure Report Card*.

¹⁴⁸ *Ibid.*

¹⁴⁹ Canadian Union of Public Employees (2018). *Fair taxes and municipal revenues*.

¹⁵⁰ Royal Bank of Canada (2019-04-16). *Canadian Federal and Provincial Fiscal Tables*

55. Helping Industries and Communities Transition to a Low-Carbon Economy

DESCRIPTION

With the introduction of the federal carbon tax in New Brunswick, Ontario, Manitoba and Saskatchewan on April 1, 2019, businesses risk being unable to make the transition to a low-carbon economy while remaining prosperous. Certain industries are more exposed to the impacts of a carbon tax due to a variety of factors, and as such they are at risk of subsidizing other communities and industries at the cost of investing in technologies that would reduce their own carbon footprint. This economic 'drainage' could result in a national failure to meet emissions reduction targets.

BACKGROUND

On April 1, 2019, the federal carbon tax came into effect as a backstop measure in those provinces who did not have a carbon emissions reduction program in place: Ontario, Manitoba, New Brunswick, and Saskatchewan. The legislation imposes a price of twenty dollars per tonne on emissions, and rises by ten dollars a year to reach fifty dollars by 2022.¹⁵¹ The Canadian Chamber of Commerce supports carbon pricing as policy to combat climate change, but it must be implemented in a fair and effective way.¹⁵² The federal government's stated purpose of reducing the country's carbon emissions to combat climate change is an admirable goal, but the legislation as designed has gaps that could risk that end goal.

The federal government's current plan is to return the revenue collected under the carbon tax to families via a tax rebate, but this approach is misguided. The most effective way to reduce carbon emissions is not just to impose a carbon tax, but to use the proceeds of that tax to invest in technologies to help businesses move to a low-carbon economy.

Industry is concerned that the carbon tax could be an economic drain for them. Businesses pay directly into the federal carbon out-put based pricing system, which act as an additional cost of business at a time when our economic competitors are reducing regulatory burdens and corporate taxes. Because there is no connection between what an industry or a region of a province pays into the carbon tax and the reinvestments of these proceeds, there is a likelihood that some industries and communities will see a net economic loss and others will see a net economic gain. In effect, there is a risk that those industries who are most exposed to carbon emissions may end up subsidizing those who are least exposed, and ultimately failing to effectively curb the country's carbon footprint. The Government of Canada needs to commit to tying the reinvestment of carbon tax proceeds not just to the families in the province from where the tax was collected, but also to the region and the industries from whom it was collected to ensure the program does not penalize certain industries or regions and reward others at their expense.

Energy intensive industries are at high risk of 'economic drain' and will require the dedicated support of government to help reach the province's emissions targets. These industries will pay significant fees for carbon emissions while facing major technological hurdles to reducing their carbon emissions – hurdles which will take millions of dollars and many years to overcome. While they are paying these costs, there is real risk that the proceeds from the carbon tax will be directed away from their industry and offer little

¹⁵¹ <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/putting-price-on-carbon-pollution/technical-briefing.html>

¹⁵² http://www.chamber.ca/advocacy/briefing/18_Briefing_federal_backstop.pdf

support in the costly development of low carbon technologies. Energy intensive industries may never be able to transition to a low-carbon economy and may simply leave Canada or disappear, along with the jobs they provide. Government must also take into account the time necessary to research, develop, and implement emissions reductions technology. Government must ensure that exposed industries are able to develop and implement carbon reduction technologies by recycling revenues into these same industries.

The carbon tax itself acts a price incentive to develop low-carbon technology, but it should also be accompanied by financial investments by the government to help innovation. Budget 2019 said the “bulk of direct proceeds” from the regulatory charge on fossil fuels will be returned to individuals and families via a tax rebate, but it remains unclear on how much of the revenue collected from the tax on large industrial emitters will be returned back to those industries.¹⁵³

For Canada to reduce its carbon footprint and meet its international climate change obligations, the federal government should prioritize investments in developing technologies to help industry transition to a low-carbon economy.

RECOMMENDATIONS

The Canadian Chamber of Commerce urges the federal government to:

1. direct a majority of the revenues from the carbon tax towards efforts that directly facilitate businesses' transition to a low-carbon economy, such as investments in low-carbon processes and technology; and
2. ensure that carbon tax proceeds are reinvested back in the regions from whom they were collected to ensure those communities are not at risk of an 'economic drain.'

Submitted By: Greater Sudbury Chamber of Commerce

Co-sponsored By: Timmins Chamber of Commerce; Sault Ste. Marie Chamber of Commerce; Thunder Bay Chamber of Commerce

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION

¹⁵³ <https://www.budget.gc.ca/2019/docs/plan/budget-2019-en.pdf> pg. 87.

56. Infrastructure Investment Essential to Mining Sector Growth

DESCRIPTION

The lack of adequate infrastructure is the most significant obstacle to mining development in Canada. Inadequate infrastructure has been the primary barrier to developing some of Canada's most promising mineral discoveries. Greater investments in the necessary infrastructure is needed to help relieve the current financial burden of construction costs placed on mining companies and to unlock the vast potential of Canadian communities and mineral deposits.

BACKGROUND

Large infrastructure projects have the potential to enrich the regional, provincial and federal economies. They improve accessibility and encourage diversification of the economy; however, the cost to establish the required infrastructure is frequently too prohibitive for private-sector investment alone.

Trade-enabling infrastructure, in particular transportation infrastructure, plays a critical role in Canada's economic prosperity by enabling the movement of products, services and people to global markets. This is especially true in the mining sector. Mining is one of Canada's most important economic sectors and is a major driver of the country's prosperity. Mining contributed \$97 billion to Canada's Gross Domestic Product (GDP) in 2017 and employed 426,000 workers in the sectors of mineral extraction, processing and manufacturing, as well as indirectly employing an additional 208,000 people.¹⁵⁴ It is an industry that stimulates and supports economic growth both in large urban centres and in remote rural communities, including numerous First Nations communities: mining is the largest private sector employer of Indigenous Canadians on a proportional basis.¹⁵⁵

As outlined in the 2015 report *Levelling the Playing Field*, major mining projects often require significant investment in new infrastructure, which is vital to ensure that mining companies have the ability to find, extract and remove ores at a competitive cost."¹⁵⁶ Mineral deposits are often located hundreds or even thousands of kilometres from road, rail, energy and technology infrastructure; as a result, companies are often faced with costs in the order of hundreds of millions of dollars in order to simply access their mining claims. Despite the strong benefit these projects potentially provide to the regional, provincial and federal economies, the cost to establish the required infrastructure is frequently too prohibitive for private-sector investment alone.

One example of a significant mining opportunity with extensive infrastructure requirements is the so-called "Ring of Fire," a mineral-rich region in northwestern Ontario that is estimated to generate billions in tax revenue and create more than 5,500 jobs within the first ten years of operation.¹⁵⁷ However, the lack of any transportation or energy infrastructure in this 5,000-square-kilometre area is a serious impediment to its progress and any associated economic opportunities for the region's First Nations communities.

¹⁵⁴ Mining Association of Canada, <http://mining.ca/resources/mining-facts>

¹⁵⁵ Ibid

¹⁵⁶ *Levelling the Playing Field*, Supporting Mineral Exploration and Mining in Remote and Northern Canada, 2015 http://mining.ca/sites/default/files/documents/Levelling_the_Playing_Field.pdf

¹⁵⁷ "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 1

Similar infrastructure challenges are faced by many key strategic mining areas throughout Canada, such as the need for additional rail capacity in the Labrador Trough, new road construction and hydroelectric generation in northern Quebec, as well as enhanced electrical transmission in northwestern British Columbia, and an all-season road into the NWT's diamond-rich Slave Geologic Region. This kind of strategic investment must be part of the federal government's approach to enabling crucial mining initiatives throughout Canada.

In addition to greater investment in key mining projects across the nation, better coordination of infrastructure spending is needed to make these investments effective. Infrastructure planning should be coordinated between all levels of government, industry, and local communities as well as other economic development projects to ensure synergies and the opportunity to multiply benefits amongst all groups.

This type of infrastructure planning for critical mining initiatives and community growth is also a key enabler of Canada's international competitiveness. The development of large-scale projects such as the Canadian Pacific Railway and the St. Lawrence Seaway have historically been crucial factors in the success of Canada's mining sector by providing vital transportation links to both foreign and domestic markets. In turn, the mining industry helps to support the development of infrastructure by acting as a source of demand for large projects, particularly in the transportation sector.

Infrastructure development into Canada's remote areas is an economic benefit not just to the communities in those areas, but also helps support Canada's burgeoning tourism sector. The federal government has marked tourism as a key priority and investments in infrastructure to make Canada's remotest and most pristine tourist attractions accessible is key. Opening Canada's remote areas will attract not only international visitors but also domestic travelers, and ultimately, will be greatly beneficial to Canada's tourism economy.

For the reasons given above, the federal government's support of these key infrastructure projects must be viewed as a vital investment in future jobs and long-term prosperity rather than an expense.

RECOMMENDATIONS

The Canadian Chamber of Commerce urges the federal government to:

1. Immediately establish enhanced funding partnerships and innovative funding models to invest in the transportation, energy, and information infrastructure (including the Geological Survey of Canada) necessary to work with the private sector, all levels of government and Indigenous peoples to promote mining sector growth and stimulate regional economic development; and
2. Work with provincial/territorial government, private industry, and Indigenous communities to better coordinate infrastructure spending by aligning infrastructure planning with community and industry needs as well as other economic development projects.

Submitted By: Thunder Bay Chamber of Commerce

Co-sponsored by: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste Marie Chamber of Commerce, Timmins Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

57. Make The Ring Of Fire a Nationally Significant Initiative

DESCRIPTION

The Ring of Fire is a transformative project for Canada. Federal action is required to expedite the development of the Ring of Fire and ensure the economic and social potential of this nationally-significant, multi-generational project is realized.

BACKGROUND

The Ring of Fire is a mineral resource-rich area of approximately 5,120 km² located in the James Bay Lowlands region of Northern Ontario. Since the early 2000s, significant deposits of copper, zinc, nickel, platinum, palladium, vanadium, and gold along with the first and largest deposit of chromite in North America have been discovered. Based on current projections, the Ring of Fire is estimated to hold more than \$60 billion in geological riches¹⁵⁸ with deposits being significant enough to sustain activity for a century.¹⁵⁹

The Ring of Fire is not only a Northern Ontario or Ontario project, but it should be a Canadian priority as well as it will have far reaching impacts across the nation. In the first ten years of the Ring of Fire development, all levels of government stand to increase their tax revenues by nearly \$2 billion, with the federal government projected to accrue between \$870 to \$940 million.¹⁶⁰ In the long term, the federal government is expected to receive \$2.89 to \$3.25 billion in taxes from the Ring of Fire.¹⁶¹ The Ring of Fire is also estimated to sustain over 5,500 full-time equivalent jobs annually within its first ten years, along with significant GDP increases and economic activity in multiple sectors.¹⁶² Benefits will not only impact the mining and mining supply sectors but will also generate economic opportunities within the manufacturing, construction, utilities, wholesale/retail, trade, and financial services sectors among others.

The Ring of Fire's polymetallic deposits are of global significance and have the potential to enable the diversification of Canadian exports; a current goal of both the federal government and business community. The Ring of Fire holds billions of dollars' worth of high-quality chromite, an essential metal in stainless steel production, demand for which is expected to increase in the years to come.¹⁶³ China, the largest importer of chromite, accounting for 60 percent of global demand, has already demonstrated significant interest in the Ring of Fire.¹⁶⁴ The federal government should promote the Ring of Fire's polymetallic deposits internationally as a significant investment and trade opportunity.

Further, the Ring of Fire has the potential to result in significant innovation gains in Canada, a top priority for the Government of Canada. Private sector actors, for example, are already developing innovative energy-saving methods such as refining ferrochrome using green and low-cost natural gas rather than electricity. The federal government should work with Indigenous groups and private sector stakeholders to spur environmental innovation and explore technologies that can reduce energy costs and help make exploration in the Ring of Fire more efficient.

¹⁵⁸ <https://www.oma.on.ca/en/news/index.aspx?newsId=02d35d94-38c9-4daa-953e-996cf3469ec0>

¹⁵⁹ "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 1.

¹⁶⁰ "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 15.

¹⁶¹ Ibid.

¹⁶² "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 1.

¹⁶³ <http://kwgresources.com/ring-of-fire-railroad-chromite-supply-and-demand-roskill/>

¹⁶⁴ <http://kwgresources.com/global/>

The Ring of Fire has endless economic opportunities but will only be successful if community needs are addressed. There are a number of Indigenous communities in close proximity to the Ring of Fire. The Federal Economic Development Agency for Northern Ontario (FedNor) is the lead federal organization dedicated to the development of the Ring of Fire. In Budget 2019, the federal government committed significant funding toward skills training and building Indigenous capacity, both critical investments needed for the Ring of Fire to succeed. These communities will require access to continuous skills and educational programs to build capacity in management, finance and regional/community-based infrastructure planning in order to participate in decision-making and resource development and to prepare community members for potential job opportunities.

There is also a severe lack of trade-enabling infrastructure in the region to connect communities to each other and to resource development. The previous provincial Liberal government signed a Regional Framework Agreement with nine Matawa First Nations in 2014 to address revenue sharing, infrastructure, and monitoring, and it committed \$1 billion to develop an all-season transportation corridor.¹⁶⁵ On March 2015, a joint federal and provincial announcement of \$785,000 was made for a study to examine the potential of a transportation corridor that would connect Ring of Fire mineral deposits and four remote First Nations.¹⁶⁶ The current provincial government has indicated it views the Ring of Fire as a high-priority project. A region that lacks roads, rail, power lines, potable water and access to grid power requires a more significant, sustained and long-term investment and vision to meet these infrastructure needs; it is critical that the provincial and federal governments work together to bring adequate trade-enabling infrastructure to the Ring of Fire.

The Ring of Fire has its challenges. After more than a decade since its discovery, progress on infrastructure development remains slow, development timelines are uncertain, private sector investors are increasingly frustrated, and the region's peoples face significant social and economic hurdles. However, there are significant opportunities to capitalize on. The Ring of Fire is in direct alignment with a number of federal government objectives such as raising living standards of Indigenous peoples and involving them more genuinely in resource development. After recent challenges with Canada's trade relations with the United States, further export diversification and increased investments in trade-enabling infrastructure in all sectors of the economy are critical to the long-term health of our economy. The federal government has made a number of efforts in recent years to increase trade relations with China and other growing economies. The Ring of Fire meets these criteria.

Now is the time for the federal government to scale-up efforts and work jointly with the Government of Ontario, Indigenous groups, industry and community partners to capitalize on the window of opportunity and advance this project forward. The Ring of Fire has been referred to as "Canada's next oil sands", a "game changer" and "the most promising mining opportunity Canada has seen in a century." The Ring of Fire also offers a unique opportunity to be a template for the development of natural resources in remote and isolated locations alongside Indigenous communities. This type of framework can serve to help inform resource development across the nation.

The Ring of Fire should be treated as a national priority and communicated to all federal government departments as such.

RECOMMENDATIONS

The Canadian Chamber of Commerce urges the Government of Canada to:

¹⁶⁵ <https://www.fraserinstitute.org/blogs/wynne-government-strikes-ring-of-fire-deal-with-first-nations-bands>

¹⁶⁶ <https://www.cbc.ca/news/canada/thunder-bay/ring-of-fire-road-study-1.3730976>

1. recognize the development of the Ring of Fire as a project of national significance.
2. work with government, industry and community partners to build capacity and community readiness of Indigenous communities and peoples so that they may take full advantage of resource development in the Ring of Fire.
3. actively promote the Ring of Fire, along with other mining projects, in the global arena as a trade and investment opportunity through Global Affairs Canada.
4. work with the Ontario government, Indigenous communities and industry to develop a plan to address infrastructure needs in the Ring of Fire.
5. partner with the Ontario government, the private sector, and Indigenous communities to explore innovative technologies and R & D opportunities to reduce energy costs and create efficiencies in the Ring of Fire.

Submitted By: Greater Sudbury Chamber of Commerce

Co-sponsored by: Saulte Ste. Marie Chamber of Commerce; North Bay & District Chamber of Commerce; Timmins Chamber of Commerce; Thunder Bay Chamber of Commerce

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION.
THE INDIGENOUS AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

58. Reform Scope of Federal Environmental Assessments to Accelerate National Infrastructure Development

DESCRIPTION

Projects critical to the national economy face months or years of delay due to over-sized scope of federal Environmental Assessment (EA) regimes. Instead of genuinely assessing environmental risk, today's federal Environmental Assessments are empty shells. They create hurdles for project development and provide a platform for opponents to object. Without an objective set of rules and standards, EAs often become politicized. The outcome seems mostly determined by the priorities of the government in power, while critical infrastructure projects languish in red tape.

BACKGROUND

Investment in Canada's economy is hampered due to the uncertainty that is created around the delays and increased costs of prolonged environmental assessments. Investment in natural resource, transportation and city-building infrastructure is increasingly inadequate. Cost overruns and schedule delays on infrastructure projects are a common occurrence. Balancing environmental protection with infrastructure development is an economic necessity. Project assessments should be rules-based as opposed to the current discretionary case-by-case reviews.

RECOMMENDATIONS

That the federal government:

1. Move from a discretionary case-by-case review system to a rules-based system.
2. Publish substantive EA requirements listing pre-determined criteria, with full transparency, before projects are proposed.
3. Allow regional EAs to avoid delays and duplication.
4. Enforce more specific deadlines to complete an environmental assessment.
5. Ensure assessments prioritize the economic benefits of a project.

Submitted By: Brampton Board of Trade

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE DOES NOT SUPPORT THIS RESOLUTION.

59. Supporting Canada's Steelmaking Coal Industry

DESCRIPTION

Canada's coal industry makes a significant contribution to the economy through employment, tax revenue and contribution to provincial GDP. There is a long history of environmental responsibility in the mining and transportation of steelmaking coal internationally. Canada's port industry operates under strict environmental regulations that are among the highest in the world, ensuring no health risks for those who live near or work at coal terminals.

BACKGROUND

Increasingly, industry opponents have made misleading and false claims about coal transportation, and have lobbied municipal governments to take action. This has resulted in some municipalities considering or taking policy positions against coal transportation in their communities and opposing expansion and infrastructure improvement projects. In fact, the industry contributes to Canada's export growth strategies and ensures critical upgrades are made to terminal facilities to improve and mitigate environmental and residential impacts. It is essential that Canada's steelmaking coal industry have access to international markets.

Restricting or delaying the development of the coal supply chain will result in the loss of livelihood for a significant number of families in many parts of Canada that are supported by the coal industry and reduce Canadian global competitiveness.

It is important that the government protect the economic benefits of this sector by informing the general public and municipalities about Canada's steelmaking coal industry and corresponding global demand for steel, and ensure its transportation is not inhibited at critical points in the supply chain.

Background

As a nation, Canada produced 69 million tonnes of coal in 2014, including 44 million tonnes of steelmaking coal¹⁶⁷. Canada is the world's third-largest exporter of steelmaking coal, after Australia and the United States. In 2014, Canada exported 31 million tonnes of steelmaking coal. Canada's production of the world's coal industry is less than 1%, yet our steelmaking coal resources are in high demand due to its superior quality.

Restricting the availability of Canadian coal will have limited impact on the world market, but will severely impact our domestic economy.

Steelmaking coal is vital to everyday life around the world. It is used to build major projects like bridges, rapid transit systems, wind turbines, high rises and everyday consumer products like cars, bicycles, tools, lawn equipment and household appliances. It is also one of the most commonly recycled products. Steelmaking, like many industrial processes, does create some emissions. Steelmaking coal, also known as metallurgical coal, is an essential part of a chemical reaction needed to create new steel. It is not used to generate power.

Steelmaking coal is inert. It can be handled with bare hands. It is not considered a dangerous or hazardous material by Transport Canada and it is safely handled by thousands of workers every day. Port industry operates under strict environmental regulations that are among the highest in the world, ensuring no health risks for those who live near or work on port terminals.

¹⁶⁷ Statistics Canada; Natural Resources Canada

Rail is the most efficient mode of transport to move commodities and has been shown to be two to five times more fuel-efficient than truck transportation depending on the commodity.

As the population continues to grow, residential neighbourhoods have expanded and in some areas, closer to port terminals. In some communities where rail lines connect with port terminals, public debates have been held in the media and with their municipal representatives, calling for the elimination of coal transportation through communities where rail lines have been located for decades, in most cases, long before the residential neighbourhoods were built around them.

Conclusion

Steel is vital for the world's advancement. Coal exporting is a major economic contributor for Canada and our ports play a critical role in transporting Canadian steelmaking coal to important international markets.

Government at both the Provincial and Federal level have an important role to play in supporting expansion and infrastructure improvements in this important industry and protecting exports from being inhibited at critical distribution points.

RECOMMENDATIONS

That the federal government work with the provincial and territorial governments to:

1. Promote the productive and environmental benefits of high quality Canadian steelmaking coal to international markets;
2. Work with industry to develop and ensure sound public and economic policies that fosters Canada's steelmaking coal mining industry; and
3. Support educational opportunities to inform the public of Canada's steelmaking coal resources, its contribution to meeting global demand for steel production and the corresponding economic prosperity through high paying jobs for tens of thousands of families, to Canada's small businesses through local procurement, through tax generation and the related economic spinoff.

Submitted By: North Vancouver Chamber of Commerce

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE ABSTAINS FROM COMMENT.

60. The Importance of a Canadian Natural Resource Dialogue

DESCRIPTION

Energy and energy-related products are a foundational piece of Canada's economic fabric. For too long we have made a distinction that the energy sector is split between oil and gas and renewable energy. Across Canada, all forms of energy generate direct and indirect wealth for the country and are at the forefront of innovation that allows our country to adopt and create new and increasingly efficient technologies. These technologies in turn, allow Canada to remain a leader in responsibly produced energy, including renewables, that is seeing an increase in demand worldwide.

BACKGROUND

Canada's economic success is dependent on all sectors of the economy across all regions. The high quality of life Canadians enjoy is a direct result of this interdependence. Canada's energy industry has long been a driver of that economic prosperity.

From coast to coast the increasing integration of hydropower, wind, and solar technologies firmly places us in a unique position to maintain its leading role in responsible production of oil and gas while becoming a leader in energy innovation. Currently Canada has a diverse energy mix, hydropower leads the way for the electricity generation at 59.1 per cent with nuclear (15 per cent) and coal (nine per cent) following.¹⁶⁸ Wind and solar generation has also seen a spike in recent years, helping grow electricity generation from renewables by 17 per cent between 2010 and 2016.¹⁶⁹ The share and growth however, varies from province to province, with different resources available in different jurisdictions. While hydro plays a more prominent role in British Columbia and Quebec, growth in wind and solar energy has been more prominent in the Prairies and Ontario.

Globally, renewable electricity generation is expected to grow 36 per cent by 2021 from 2015 levels.¹⁷⁰ Harnessing the existing markets and the variance in inherent resource-based capacities across the country¹⁷¹ will allow Canada to maintain its role as a global leader in this emerging sector. This diversity in natural resources among provinces strengthens Canada's claim to be a global leader in all energy sources.

In addition to the capacity for growth in renewable energies and technological adoption, we are already an established world leader in traditional energy. Canada's oil sands, conventional crude oil production, and natural gas industries are projected to contribute \$1.7 trillion, \$630 billion and \$422.5 billion respectively from 2017-2027 while creating 365,000 jobs.¹⁷² This sector is one of the biggest contributors to the well being of the Canadian economy. The industry is also a significant contributor to

¹⁶⁸ Natural Resources Canada, Electricity Facts, n.d. retrieved from <https://www.nrcan.gc.ca/energy/facts/electricity/20068>

¹⁶⁹ Natural Resources Canada, Energy Fact Book 2018-2019, November 2018, retrieved from <https://www.nrcan.gc.ca/energy-facts>

¹⁷⁰ International Energy Agency, Energy Technology Perspectives 2017, June 2017, retrieved from <https://webstore.iea.org/energy-technology-perspectives-2017>

¹⁷¹ National Energy Board, Canada's Renewable Power Landscape 2016 – Energy Market Analysis – Canadian Overview, December 2017, retrieved from <https://www.neb-one.gc.ca/nrg/sttsc/lctrct/rprt/2016cndrnwblpwr/cndnrvw-eng.html>

¹⁷² Canadian Energy Research Institute, Economic Impacts of Canadian Oil and Gas Supply in Canada and the US (2017-2027), August 2017, retrieved from https://ceri.ca/assets/files/Study_166_Executive_Summary.pdf

all levels of government, with roughly \$7 billion per year paid between 2015-2017 through royalties, corporate income tax, land sales, and more.¹⁷³

In recent years, the industry has faced substantial challenges with the most significant one being the inability of major infrastructure projects to move through regulatory systems that have become burdensome, unpredictable, and uncompetitive. This has led to a lack of market access, forcing producers to accept prices that are lower than the market standard for our natural resources. The lowered price in turn, has dampened the growth of the Canadian Economy.¹⁷⁴ Limited market access has also hindered Canada's ability to capitalize on the opportunity to provide lower-carbon emitting natural gas to developing countries to replace high emission fuel sources such as coal.

Climate change is a critical issue that needs to be addressed. To make a greater contribution to the global fight against climate change, Canada needs to get its resources to world markets to help displace higher emission fuels sources in other countries. Responsibly produced Canadian energy and energy-related products in a global market can reduce emissions on a much larger scale than going it alone.

By the end of 2017, Canada's Oil Sands Innovation Alliance (COSIA) had shared 981 technologies and innovations valued at \$1.4 billion with industry that has directly helped reduce greenhouse gas (GHG) emissions, minimize land impacts, reduce water use, and improve management of tailings.¹⁷⁵ The industry has utilized these technologies and more to reduce GHG emissions in their operations. Adopting these technologies has led to a 15 per cent decrease in the intensity of emissions produced by oil sands operations between 2010-2016.¹⁷⁶ Combining technological advances with the legal obligations of the industry to reclaim all lands affected by oil sands and mining operations to be reclaimed (returned to a sustainable landscape),¹⁷⁷ creates an atmosphere for environmental stewardship that has not received ample credit. The world demand for energy from all sources is expected to increase by 25 per cent by 2040. By the same time demand for oil and natural gas are expected to rise by 10 per cent and 43 per cent respectively.¹⁷⁸

We must be proud of Canada's leading role in the responsible production of oil and gas and renewable energy and seize the opportunity to replace high emission fuel sources in developing economies. If successful, Canada will have a significant impact on reducing GHG emissions globally.

We need to concurrently invest in natural resource development and energy innovation so future generations can have access to reliable mix of cleaner and affordable energy that fuels their daily lives and supports a healthy environment and a growing economy.

¹⁷³ Canadian Association of Petroleum Producers, Key Statistics, April 2019, retrieved from <https://www.capp.ca/publications-and-statistics/statistics>

¹⁷⁴ Bank of Canada, Monetary Policy Report, April 2019, retrieved from <https://www.bankofcanada.ca/wp-content/uploads/2019/04/mpr-2019-04-24.pdf>.

¹⁷⁵ Canadian Association of Petroleum Producers, Innovation and Technology, n.d., retrieved from <https://www.capp.ca/responsible-development/air-and-climate/innovation-and-technology>

¹⁷⁶ Environment and Climate Change Canada, National Inventory Report 1990-2016: Greenhouse Gas Sources and Sinks in Canada, n.d., retrieved from <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/emissions-inventories-reporting/nir-executive-summary/National%20Inventory%20Report%20Executive%20Summary%202018.pdf>

¹⁷⁷ Canada's Oil Sands, Environmental Innovation – Land, n.d., retrieved from <https://www.canadasoilsands.ca/en/environmental-innovation/land>

¹⁷⁸ International Energy Agency, World Energy Outlook 2018, n.d, retrieved from <https://www.iea.org/weo2018/>

Canada is in a unique position to be a global leader in responsibly produced energy products while meeting energy demands through energy innovation. The country's energy sector is not made of two distinct and opposite factions and must be looked at holistically to secure access to a reliable mix of energy. The products and technologies we produce are in demand worldwide, demand that is projected to increase in the near future.

With a concerted effort, we can be a leader in energy innovation, help meet growing energy demand for our resources, while taking meaningful action to support an energy transition. If we are unable or unwilling to move forward in a clear direction, we jeopardize the opportunity to simultaneously grow our economy, invest in infrastructure and fight climate change.

RECOMMENDATIONS

That the federal government:

1. Recognize that the well-being of Canadian households and communities are directly related to Canada's energy sector as a whole.
2. Create a plan for Canada's energy future that takes advantage of all natural resources in Canada, this should include but not limited to:
 - a. Ensuring regulatory frameworks that bind Canada's energy and natural resource development sectors are subject to fair, clear, and certain processes.
 - b. Recognizing the benefits of the natural resources sector in achieving an energy transition.
 - c. Ensuring ongoing development of infrastructure projects that allow all sectors access to new domestic and international markets where demand is growing.
3. Ensure that considerations made for resource-based industries include traditional and emerging industries as both play a crucial role in Canada's economic health. Harnessing all industries together will allow Canada to grow our domestic markets and fight climate change globally.

Submitted By: Calgary Chamber of Commerce

Co-sponsored By: Edmonton Chamber of Commerce, Chamber of Commerce of Metropolitan Montreal, Winnipeg Chamber of Commerce, Toronto Region Board of Trade, Brampton Board of Trade, Halifax Chamber of Commerce, Greater Vancouver Board of Trade

THE NATURAL RESOURCES AND ENVIRONMENT COMMITTEE SUPPORTS THIS RESOLUTION.

61. Child Care

DESCRIPTION

Over the last three decades, the need for child care has grown steadily, with the rise in employment rates among women and the corresponding increase in dual-income earner families. This has accompanied changes in the composition of Canadian families, notably increases in lone-parent and step-families, impacting both the need and type of child care required.

BACKGROUND

In 2018, the BC government made a landmark investment to begin addressing the affordability crisis in child care. Our report shows just how urgently needed those measures are in BC, with Metro Vancouver having ranked among Canada's most expensive places for child care last year (alongside Toronto and its suburbs).

The BC government has laid the foundation for a new universal, affordable, quality child care system with a major investment of \$1 billion over three years

Over the last three decades, the need for child care has grown steadily, with the rise in employment rates among women and the corresponding increase in dual-income earner families. This has accompanied changes in the composition of Canadian families, notably increases in lone-parent and step-families, impacting both the need and type of child care required.

Beyond need, the demand for quality child care has also increased, due to the potential benefits on peer socialization, school readiness, and numeracy and language skills. In Canada, options for child care are varied, ranging from nannies, home daycares, daycare centres, preschool programs, and before and after school services. Finding the most appropriate child care arrangement can, at times, be challenging. Parents must often balance the need between the overall quality, convenience, availability and cost of child care.

Surrey released their Surrey Child Care Report in April 2018 detailing a comprehensive analysis of Surrey's ability to provide childcare access for workers, and a lack of coordinated child care planning and service delivery. The key findings of the report illustrated the lack of child care resources and support services for families in the advent of Surrey's booming population. Early Childcare Educators (ECE) cannot receive training in adult education facilities in Surrey.

The research done by Dr. Paul Kershaw of UBC found that work-life conflicts of parents raising young children is actually costly for employers with resulting higher absenteeism rates, greater turnover, and increased use of employer funded extended health benefits. Further, the cost to the BC business community, according to Kershaw, is over \$600 million annually and over \$4 billion for Canadian businesses. These costs are exasperated by the costs to the Canadian health care system of over \$2.5 billion and child welfare of over \$1.2 billion. Inadequate childcare is too costly to ignore.

In Surrey, there is a widespread shortage of qualified, well-trained ECE workers. Because of this shortage, operators are less stringent in hiring and vetting practices. The Fraser Health Authority has reported a high number of licensing exemptions.

ECEs in BC

- Comparing 2017 to 2014, the number of Early Childhood Educators remained unchanged
- The budget for ECEs also remained unchanged when observing the 2014 provincial budget to the 2017 budget

In urban regions, prime employment areas for a diverse and skilled workforce, home-ownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2 to 3 bedroom units). To alleviate the pressure on families finding homes adequate to their needs, it is necessary to reduce the cost of childcare so that it is a small flat rate, such as \$10 per day. This would free up financing opportunities for young adults to enter the housing market, becoming stabilized, and contributing to a community's economy. Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Building a universal, affordable, quality child care system in BC is a smart use of public resources that will have ripple effects across the provincial economy by:

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.
- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.
- Creating new jobs.

RECOMMENDATIONS

That the federal government:

1. Provide more funding to adequately train Early Childhood Educators that have been exempted to date;
2. Improve access to child care by introducing a new capital budget to purchase and build publicly-owned child care facilities;
3. Enhance child care quality and address the recruitment and retention crisis in the child care sector; and,
4. Reduce child care fees for families.

Submitted By: Surrey Board of Trade

62. Addressing the National Supply Shortage Affecting the Cannabis Industry

DESCRIPTION

Since legalization in 2018, widespread supply shortages in the legal recreational cannabis market have left some customers unable to legally purchase products, some retailers unable to maintain store hours and employees, and some provinces to change their retail structures in response to the lack of supply. The Government of Canada needs to focus public policy and investment efforts towards supporting this emerging industry, by standardizing shipping labels among provinces and expediting approval timelines.

BACKGROUND

As early as October 2018, it became clear that with the existing production levels of cannabis, the legal supply would meet only 30 to 60 percent of the total demand in Canada.¹⁷⁹

The supply shortage has been felt across Canada. While Ontario capped the initial launch of private cannabis stores to 25, Alberta suspended allocating new retail licenses for several months, New Brunswick's provincially-owned chain of cannabis retailers laid off employees and briefly closed 12 of its 20 stores, Quebec-run stores reduced their hours of operation to four days a week, and a private cannabis store in Newfoundland closed their doors.¹⁸⁰

Estimates for how long the shortage could last range from the end of 2019 to 2022.¹⁸¹ Canadian licensed producers are currently producing approximately 400,000 kilograms of dried cannabis; however, one million kilograms will be needed to meet domestic demand and up to six million kilograms will be needed to meet the demand for dried flower, edibles, and other extracts entering the marketplace later in 2019.¹⁸²

The supply shortage has been attributed to a number of issues, including an inadequate supply chain, packaging and processing constraints, and Health Canada's multi-step licensing approval process.¹⁸³ To sell cannabis in Canada, producers need to obtain two licenses. Following a successful inspection by Health Canada, a producer may be granted a license to cultivate cannabis. The producer must then complete two growth cycles and Health Canada must be satisfied that the facility is growing cannabis without mould, mildew, or pestilence. A producer may then be granted a license to sell cannabis. Industry representatives note that it takes time to pass Health Canada's approval process and ramp up production.¹⁸⁴ The introduction of new product classes in 2019 will also require more licensed producers.

¹⁷⁹ Sen, Anindya and Rosalie Wyonch. 2018. Cannabis Countdown: Estimating the Size of Illegal Markets and Lost Revenue Post-Legalization. C.D. Howe Institute. https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Final%20Commentary_523.pdf.

¹⁸⁰ The Canadian Press. "Cannabis store in Newfoundland closes, blames lack of supply." January 30, 2019. Global News. <https://globalnews.ca/news/4906704/clarevillecannabis-store-closes/>; George-Cosh, David. "Canada's pot czar says there's sufficient supply despite bumpy retail rollout." January 30, 2019. BNN Bloomberg. <https://www.bnnbloomberg.ca/canada-s-pot-czar-says-there-s-sufficient-supply-to-meet-demand-despite-bumpy-retail-rollout-1.1206562>.

¹⁸¹ Armstrong, Peter. "Canada's chronic shortage of legal cannabis expected to drag out for years." January 23, 2019. CBC News. <https://www.cbc.ca/news/business/canadacannabis-shortage-years-1.4988195>.

¹⁸² George-Cosh, David. "Canada's pot shortage could last 5 years amid edibles demand: Expert." January 22, 2019. BNN Bloomberg. <https://www.bnnbloomberg.ca/canada-s-pot-shortage-could-last-at-least-5-years-amid-edibles-demand-expert-1.1202192>.

¹⁸³ Gollom, Mark. "'Cannabis isn't as easy to grow as people think,' and then there's the paperwork." October 19, 2018. CBC News. <https://www.cbc.ca/news/canada/cannabissupply-shortages-demand-1.4869030>.

¹⁸⁴ *ibid*.

A federal excise duty is payable by a licensed cannabis producer when the cannabis products they package are delivered to a provincially-authorized distributor or retailer. An excise stamp must be present on all legally produced cannabis products available for purchase. Only a person who has obtained a cannabis license from the Canada Revenue Agency (cultivators, producers, and packagers of cannabis products) are able to purchase cannabis excise stamps.¹⁸⁵

However, excise stamps present several challenges. The stamp must be adhered manually as it was not designed for automation, which is a time-consuming process.¹⁸⁶ In addition, the stamps have a specific colour band and background for the province or territory in which the product is intended to be sold. The cannabis licensee packaging the product is responsible for determining and applying the appropriate excise stamp before the product can be sold legally.

Therefore, the government is currently contributing to the supply shortage, hampering this growing industry and undermining its own revenue generation through taxes on the sale of legal cannabis products.

RECOMMENDATIONS

That the federal government:

1. Invest in Health Canada's capacity to license facilities at an accelerated rate, while not compromising the inspection process.
2. Develop a common excise stamp for licensed producers to adhere to cannabis products, thus allowing licensees to more efficiently ship products across the country.

Submitted By: Hamilton Chamber of Commerce

Co-sponsored By: Edmonton Chamber of Commerce, Ontario Chamber of Commerce

THE SPECIAL ISSUES COMMITTEE SUPPORTS THIS RESOLUTION.

¹⁸⁵ Government of Canada. "EDN54 General Overview of the Cannabis Excise Stamps." May 2018. https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/edn54/general-overviewcannabis-excise-stamps.html#_Toc512931347.

¹⁸⁶ Hughes, Calvin. "Feds say there's no cannabis supply shortage in Canada. So why are shops always short on pot?" February 4, 2019. Civilized. <https://www.civilized.life/articles/feds-say-theres-no-cannabis-supplyshortage-in-canada-so-why-are-shops-alwaysshort-on-pot/>.

63. Aligning Federal and Municipal Housing Policies

DESCRIPTION

Canada's pace of new home construction is not keeping up with population growth. This phenomenon is driving a growing affordability crisis that forces many potential homebuyers to make difficult housing choices: keep renting, live with parents longer, raise families in smaller dwellings historically not recognized as family-friendly housing, or look to the suburbs for more affordable housing and longer commutes. These same affordability challenges extend into the rental/government-subsidized spaces.

BACKGROUND

The consequences of a lack of affordable housing supply are extensive, including:

- as per the International Monetary Fund (IMF), unaffordability makes it difficult for urban employers to attract and retain talent;
- young Canadians and newcomers are missing out on opportunities to build housing wealth;
- Canadians without access to intergenerational wealth are unable to save for a minimum down payment for a home, thus further perpetuating wealth inequality;
- as home building is suppressed, so too are economic spinoffs created by housing activity;
- owners/renters flee to the suburbs to find affordable housing, thus adding to their commutes, driving higher vehicle emissions and lost economy productivity;
- failure to align supply with demand forces up housing costs for everyone;
- As housing costs increase Canadians have less share of wallet to devote to other economic activity, thus serving as a potential trigger for a recession.

Supply is the problem

Since the onset of the global financial crisis in 2008, the federal government has taken many steps to temper housing demand and to protect taxpayers against housing risk. This includes six separate moves to tighten product restrictions on insured mortgages, which are typically accessed by first-time home buyers. It also introduced the B20 stress test on uninsured mortgages. Some provincial governments have also taken measures that aim to suppress demand. Despite these many demand-side measures, while prices tend to slow temporarily, prices typically recover because, in large part because population growth is outpacing the oncoming of new supply several markets.

While supply shortages exist in several parts of Canada, the challenges are hardest felt in the Greater Toronto Area (GTA) and Greater Vancouver Area, as reported by the Canadian Mortgage and Housing Corporation and the IMF. As reported in *The Globe and Mail*, on March 31, 2019, Toronto has a shortage of homes. A recent study funded by the Building Industry and Land Development Association (BILD), conducted by Altus Group, shows a shortfall of new construction in 11 of the past 12 years. The review compared the completed supply of new homes to annual growth targets laid out for municipalities in Ontario's Growth Plan, as adopted in 2005. The article notes, "The 12-year shortfall in construction compared to the annual targets equals 98,900 missing housing units across the Greater Toronto Area and the South Simcoe region, which stretches north of the GTA up to Barrie." Making matters worse, the same article quotes BILD CEO Dave Wilkes as noting, in the City of Toronto alone, population growth exceeded 2005 estimates by more than 96,000 people. This growing imbalance between supply and demand is driving up prices in both the rental and homeownership categories—with the Toronto Real Estate Board Home Price Index jumping from \$375,000 in 2009 to just shy of \$800,000 in 2019.

What's holding up supply?

On March 31, 2019, The Globe and Mail reported a common barrier to construction is the difficulty developers often face in getting projects, particularly larger projects, approved by local councillors, "...who don't want to antagonize local residents who oppose changes in their neighbourhoods." The same article notes barriers caused by "...cumbersome bureaucratic processes put in place at the regional level, resulting in it often taking about 10 years to get through the approval process." What needs to happen?

As recommended by the IMF, there's a need to better coordinate housing, immigration, and transportation strategies in the most impacted areas of Canada. Municipalities must accelerate the delivery of land ready for development by providing better timely data about land availability. Municipalities must also shorten approval processes for building permits and re-zoning as well as improve transparency and certainty about the timelines of the steps involved in the development of approval processes and in application processes that must be met by developers. Growth plans must also ensure that the housing being approved and built aligns with what is required by meet the needs of local residents and economies.

As governments work together to expedite housing supply they must do it with a mindfulness toward:

- bringing an appropriate and affordable supply mix that meets local needs;
- affordable housing in proximity to jobs, transportation networks, amenities such as shopping, schools, and community-based infrastructure;
- ensuring new homeowners are treated fairly and are not unduly saddled with unfair taxation or development charges; and
- proponents of "not in my backyard" cannot be allowed to dominate housing decisions.

What is needed to make it happen?

The federal government has funding and taxing ability to impact the oncoming of housing supply. Provincial governments have simple spending powers as the federal government, but are ultimately responsible for developing provincial growth plans. In contrast, municipal governments are primarily responsible for local zoning, but they play the key role in approving new construction projects. As noted, municipal governments have the greatest ability to successfully expedite or hold up/suppress the oncoming of new housing projects.

The federal and provincial governments have an opportunity to use their spending power to incent and support municipalities targeted for growth. For example, both the federal and provincial governments transfer funds to municipalities, or co-fund with municipalities, numerous things, including: gas tax transfers and other operating/capital cost transfers for transportation spending, road/bridge/highway/water and waste water repairs, affordable housing, community centres, schools, hospitals, social transfers, and so forth.

It's not without precedent higher orders of government tie conditions to their transfers/co-funding of programs and investments to/with municipalities. These can include co-funding requirements, judging criteria, and performance metrics. In this vein, it's entirely reasonable and responsible to require municipalities to hit their provincial growth targets as condition for receiving federal/provincial transfers/co-funding, in particular for any growth-based infrastructure/expenditures designed to accommodate and support growing communities.

RECOMMENDATIONS

That the federal government:

1. While taking into account regional differences in existing built infrastructure and real estate markets, utilize federal infrastructure spending and initiatives to incent provincial and municipal governments to ensure their growth plans are supported by the delivery of an adequate and appropriate mix of affordable housing, including market rate and purpose built rental residential projects (High and low density). These strategies should include performance funding, tied to the delivery of new unites, to ensure the federal government is doing its part to help communities across Canada as they grow.
2. Develop a methodology where transfers are project specific rather than per capita, making growth in residential units a specific consideration when assessing growth-oriented infrastructure spending and operational transportation-based funding.
3. Provide additional consideration and prioritization to communities whose housing strategies include the priorities of affordability, in particular first-time home buyers, young families, and work-force aged workers; density, or proximity to transit and other amenities including schools, medical, shopping and community centres; and proximity to employment zones.
4. Hold municipalities accountable who fail to meet their commitments to bring online promised and/or required new supply of housing.

Submitted By: Oakville Chamber of Commerce

THE SPECIAL ISSUES COMMITTEE SUPPORTS THIS RESOLUTION.

64. Childcare

DESCRIPTION

The rise in employment rates among women and the corresponding increase in dual-income earner families has increased the need for adequate childcare services. Inadequate childcare services puts additional pressure on businesses that are already experiencing access to skilled labour and are increasing the cost of turnover, absenteeism and health benefits.

BACKGROUND

In 2017, the federal government made landmark investments in infrastructure to begin addressing the affordability crisis in child care. Since then, there have been minimal strides to ensure these programs are being evaluated and reformed to meet the needs of families.¹⁸⁷

Over the last three decades, the need for child care has grown steadily, with the rise in employment rates among women and the corresponding increase in dual-income earner families. This has accompanied changes in the composition of Canadian families, notably increases in lone-parent and step-families, impacting both the need and type of child care required.

Beyond need, the demand for quality child care has also increased, due to the potential benefits on peer socialization, school readiness, and numeracy and language skills. In Canada, options for child care are varied, ranging from nannies, home daycares, daycare centres, preschool programs, and before and after school services. Finding the most appropriate child care arrangement can, at times, be challenging. Parents must often balance the need between the overall quality, convenience, availability and cost of child care.¹⁸⁸

Surrey released their Surrey Child Care Report in April 2018 detailing a comprehensive analysis of Surrey's ability to provide childcare access for workers, and a lack of coordinated child care planning and service delivery. The key findings of the report illustrated the lack of child care resources and support services for families in the advent of Surrey's booming population. Early Childcare Educators (ECE) cannot receive training in adult education facilities in Surrey.¹⁸⁹

The research done by Dr. Paul Kershaw of UBC found that work-life conflicts of parents raising young children is actually costly for employers with resulting higher absenteeism rates, greater turnover, and increased use of employer funded extended health benefits. Further, the cost to the BC business community, according to Kershaw, is over \$600 million annually and over \$4 billion for Canadian businesses. These costs are exasperated by the costs to the Canadian health care system of over \$2.5 billion and child welfare of over \$1.2 billion. Inadequate childcare is too costly to ignore.

In Surrey, there is a widespread shortage of qualified, well-trained ECE workers. Because of this shortage, operators are less stringent in hiring and vetting practices.¹⁹⁰ The Fraser Health Authority has reported a high number of licensing exemptions.

ECEs in BC

- Comparing 2017 to 2014, the number of Early Childhood Educators remained unchanged¹⁹¹

¹⁸⁷ <https://www.canada.ca/en/employment-social-development/programs/early-learning-child-care.html>

¹⁸⁸ <https://www150.statcan.gc.ca/n1/pub/89-652-x/89-652-x2014005-eng.htm>

¹⁸⁹ Recognized Early Childhood Education Training Institutions

¹⁹⁰ 2018. Surrey Child Care Report.

¹⁹¹ 2017. Early Childhood Education Report.

- The budget for ECEs also remained unchanged when observing the 2014 provincial budget to the 2017 budget

In urban regions, prime employment areas for a diverse and skilled workforce, home-ownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2 to 3 bedroom units). Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Building a universal, affordable, quality child care system in Canada is a smart use of public resources that will have ripple effects across the provincial economy by:

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.
- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.
- Creating new jobs.¹⁹²

RECOMMENDATIONS

That the Federal Government:

1. Enhance child care quality and address the recruitment and retention crisis in the child care sector;
2. Continue to monitor, evaluate, and invest in Early Learning and Child Care, Multilateral early Learning and Child Care Frameworks; and,
3. Reduce child care fees for families.

Submitted By: Greater Victoria Chamber of Commerce

Co-sponsored by: Surrey Board of Trade

¹⁹² https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm_source=newsletter&utm_medium=email&utm_campaign=focused&utm_content=secondary

65. Emergency Slaughter - Update to the Transportation of Animals Program

DESCRIPTION

In order to reduce food waste, and to keep beef stock off the black market, producers and licensed abattoirs need the ability to work with the Canadian Food Inspection Agency (CFIA) and veterinarians to assess both compromised and unfit animals for possible transport to slaughter facilities

BACKGROUND

The health and welfare of all animals is of the utmost importance to all sectors of the meat producing industry. The Canadian Food Inspection Agency states "Protecting animal welfare in Canada is a shared responsibility between governments (federal, provincial, and territorial), and industry (producers, transporters and staff in registered slaughter establishments). With this statement in mind, industry currently has a concern regarding the transportation requirements for compromised animals. With the current regulations in place that deem 'unfit' animals only available for transport to a veterinary establishment there is the potential for food waste, as well as undue costs being placed on producers to send these animals to the veterinarian.

Industry states that certain compromised animals can be humanely transported to a slaughter facility using specialized provisions for transport to ensure the animals do not incur any undue suffering, however this transport provision does not include animals deemed 'unfit' who are only allowed to be transported to a veterinary establishment. The CFIA "recognizes that some degree of suffering by all animals is inevitable" and in these cases the animal would incur the same amount of discomfort being transported to a veterinary clinic as it would being transported to an approved slaughter facility, and would be treated with the same utmost care upon arrival. Federally inspected slaughter plants are already required to follow policies related to handling of non-ambulatory animals as referenced in the Transportation of Animals Program Compromised Animals Policy.

The 'Rationale' section of the Canadian Food Inspection Agency's Transportation of Animals Program Compromised Animals Policy states:

"Loading and unloading a non-ambulatory animal with the intent of providing veterinary diagnosis or treatment does not expose the animal to unjustified and unreasonable suffering. In fact, veterinary diagnosis or treatment has an associated animal welfare benefit for either the transported animal or the herd of origin.

In this regard, the suffering that the animal will endure is not undue. The Regulations refer to "undue suffering," recognizing that some degree of suffering by all animals is inevitable. The qualifier "undue" prevents the word "suffering" from being taken literally. Therefore, the loading of a non-ambulatory animal can be carried out in accordance with the Health of Animals Regulations to provide veterinary diagnosis or treatment."

With this rationale in mind, it can also be argued that transportation of an unfit animal to an approved slaughter facility does not cause 'undue suffering' as the animal will receive an ante-mortem inspection from a licensed inspector which will be beneficial to the producer and potentially the herd of origin, and the animal can be salvaged for processing which solves a food waste issue that is also of concern with compromised animals.

Current Health of Animals Regulations prohibit the movement of some compromised animals to an accredited slaughter facility, allowing these animals to only be transported for veterinary treatment. Part X11, section 138, point 2 states:

“(2) Subject to subsection (3), no person shall load or cause to be loaded on any railway car, motor vehicle, aircraft or vessel and no one shall transport or cause to be transported an animal:

(a) that by reason of infirmity, illness, injury, fatigue or any other cause cannot be transported without undue suffering during the expected journey;

(b) that has not been fed and watered within five hours before being loaded, if the expected duration of the animal's confinement is longer than 24 hours from the time of loading; or

(c) if it is probable that the animal will give birth during the journey.

(2.1) For the purpose of paragraph (2)(a), a non-ambulatory animal is an animal that cannot be transported without undue suffering during the expected journey.

(2.2) Despite paragraph (2)(a), a non-ambulatory animal may be transported for veterinary treatment or diagnosis on the advice of a veterinarian.”¹⁹³

According to a CFIA guidance document entitled Livestock Transport Requirements in Canada certain compromised animals may be transported directly to an “appropriate slaughter establishment” if steps are taken to prevent additional injury or undue suffering; however this excludes animals that are deemed “unfit”.¹⁹⁴ Excluding an entire section of animals from being transported to a slaughter facility, but allowing them to be transported to a veterinary establishment does not assist the animal from any suffering during transport. Unfit animals can be humanely slaughtered at an approved abattoir and not endure any more suffering than would be incurred being transported to a veterinarian.

Oftentimes an animal being transported to the nearest approved slaughter facility is the way to have the animal addressed as quickly and humanely as possible, and this is the ultimate objective when considering animal welfare.

RECOMMENDATIONS

That the federal government:

1. Update and expand the Health of Animals Regulations Act Part XII – Transportation of Animals, to include transportation requirements for animals deemed ‘compromised’, animals deemed ‘unfit’, and animals deemed ‘non-ambulatory’ to remain consistent with definitions provided in the Canadian Food Inspection policy titled Transportation of Animals Program Compromised Animals Policy.
2. Work with the Canadian Food Inspection Agency to update all documents regarding the transportation of compromised animals including but not limited to the Health of Animals Regulations, Transportation of Animals Program Compromised Animals Policy and the guidance document Livestock Transport Requirements in Canada to include that

¹⁹³ Canadian Food Inspection Agency <http://www.inspection.gc.ca/animals/terrestrial-animals/humane-transport/eng/1300460032193/1300460096845> Accessed June 3, 2019

¹⁹⁴ Canadian Food Inspection Agency <http://www.inspection.gc.ca/animals/terrestrial-animals/humane-transport/compromised-animals-policy/eng/1360016317589/1360016435110#aboutthecfia> Accessed June 3, 2019

compromised animals and unfit animals may be transported to a licensed abattoir if steps are taken to prevent additional injury or undue suffering of the animal, for humane euthanization and inspection of the meat product.

Submitted By: Medicine Hat & District Chamber of Commerce

THE AGRICULTURE & AGRIFOOD POLICY COMMITTEE SUPPORTS THIS RESOLUTION.

66. Fuelling Job Growth Through Innovation

DESCRIPTION

Having a focus on innovation in all sectors and the Canadian tech sector in particular can better balance and grow the Canadian economy. Increasing employment and increasing export revenue can better situate Canada to attract new talented immigrants, and re-engage talented Canadian science and technology workers. Workers in these sectors are currently being lost to more attractive employment opportunities, most notably in the US. This leakage can be attributed to factors which include:

- (a) more competitive personal and corporate tax rates;
- (b) lower cost of living, and
- (c) a concomitant increase in employment opportunity.

BACKGROUND

There are many hurdles that prohibit technology companies from growing in the Canadian landscape. Canada's ability to remain competitive in the fast-paced and increasingly global economy is closely tied to the continued longevity, strength and success of our economy. The Canadian Chamber of Commerce applauds the Government of Canada continuing its commitment to over \$1 billion in new funding over the next five years for FedDev Ontario and its inter-provincial counterparts, and for making this a permanent fund. In recognizing the vital role rural communities play in Canada's economy, it was announced that FedDev is dedicating an initial sum of \$100 million to projects that drive innovation and growth in rural communities (as announced in February 2019).

FedDev promises to continue to support scale-up innovative businesses, strengthen innovation networks, and boost economic growth in local communities that create jobs in one of Canada's most vital economic hubs. Projects can now be submitted using a single application, through three simplified funding streams: Business Scale-up and Productivity, Regional Innovation Ecosystem, Community Economic Development and Diversification. The new alignment is designed to meet the needs of businesses, job-creating entrepreneurs, innovation partners and communities both now and into the future.

This year marks 10 years of FedDev which oversees Canada's six regional development agencies that delivers funding and business services supporting innovation and growth. As such, it is important to recognize the successes of the program while advocating further changes and initiatives that will further strengthen and support the growth of Canada's tech sector.

In addition to FedDev, the National Research Council of Canada Industrial Research Assistance Program is playing an important role in supporting innovation in Canada.¹⁹⁵

RECOMMENDATIONS

That the Federal Government:

1. Continue to support the permanent funding of the six regional development agencies including FedDev Ontario to facilitate the continued support of its important initiatives and work.

¹⁹⁵ Appendix: As part of the research phase in the production of the earlier version of this policy paper, the London Chamber of Commerce conducted interviews with an economic development corporation, a mid-sized technology company, a regional innovation centre (RIC), an incubator within a post-secondary institution, and others.

2. Expand upon the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) strategy of connecting Industrial Technology Advisors (ITA) with entrepreneurs. This service, currently provided by the federal government, if expanded, will assist entrepreneurs in navigating the porous and complex system of obtaining Federal funding for their business.
3. Create new funding programs through FedDev and/or NRC that are designated for established innovative technology companies that are in growth-mode, while pairing them with national networks offering mentorship, formalized education, and peer-to-peer learning. Supporting proven companies lowers the risk of funding defaults, lowers the number of businesses that will leave Canada or sell to foreign companies, and maximizes the overall benefits to our Canadian economy.
4. Ensure that funding programs use clear targets to measure success and to best ensure results both in terms of business outcomes and the best return on investment for taxpayers.
5. Incentivize Canadians working abroad – especially entrepreneurial individuals with expertise in science and technology - to come back to Canada by providing targeted tax incentives to tech companies who successfully recruit Canadian ex-pats and other skilled high-tech foreign workers.

Submitted By: London Chamber of Commerce

67. Remediation Standard For Legal and Illegal Substance Affected Properties

DESCRIPTION

In late 2018, the Federal Government legalized cannabis for recreational use including providing all citizens the legal right to grow up to four (4) plants in their own home without required training to prevent potential damage to the residence. This change in law has further aggravated the concern of the Chambers of Commerce and the Real Estate Boards across Canada as a lack of standard in remediation continues to hamper the housing stocks with banks and insurance companies refusing to finance or only doing so at increasingly higher rates.

BACKGROUND

Currently, the lack of a standardized remediation schedule (universally acceptable to lenders and insurers) of a home or commercial property that has been identified as being used to cultivate or manufacture drugs (illegal or otherwise) would not be financeable by a mainstream conventional mortgage.^{196 197 198} Insurance companies, banks and other stakeholders consider the level of remediation needed for homes to be the same whether the residence was used for the purpose of legal or illegal drug cultivation (a grow-op or a meth lab)

Compounding these problems (due to the same lack of standard) is the fact that it is increasingly more difficult to insure these properties which in some cases makes alternative financing altogether cost prohibitive.^{199 200 201} Given the number of illegal marijuana grow-ops which have been identified to date, the new allowance for citizens to grow in their homes with no formal training to prevent damage, and number of Health Canada Licenses having been issued for Personal Use (PUPL) and Designated Personal Use (DPPL), it is reasonable to say that this lack of acceptable standard poses a substantial risk to the financial ability of a significant segment of our residential housing stock across Canada. The new Federal Cannabis Legislation permits adults (19 years and older) to cultivate up to four (4) cannabis plants per household. Provinces may apply added restrictions on personal cultivation. While the federal government has provided an online resource to help educate potential home growers on recommended safety and security measures, it does not require the home grower to meet any of the suggested safety and security measures.

¹⁹⁶ "RBC Financial will not enter into any credit deals that have been deemed as current or previous operation (illegal substances)". "Even if the Structure is torn down, the property remains tagged and we still do not fund these credit deals" - Kathleen Haydu, Branch Manager, RBC Financial

¹⁹⁷ "If we (TD Bank) know about the issue (former or current illegal substance operations) at the start of our interview process, we don't proceed with the application." -Bruce Murray, Branch Manager, TD Bank

¹⁹⁸ "All chartered banks and most single stream mortgage lenders will not finance former illegal substance operations such as grow-ops." "In most cases with alternate financing, more than a 50 percent down payment is required and some level of underwriting is required." - Doug Lifford Mortgage Services.

¹⁹⁹ "In Niagara Falls and I'm throughout Canada, Realtors are selling homes that have been used as grow-ops. The buyer is not aware because the Realtor is not telling him. Nor is the lender aware, since money for the mortgage would not be available if they were. For insured mortgages, CMHC and GE will not insure homes that were previously used for grow-ops even if they have been remediated. So, the only way to get financing is not to tell the buyer or the bank." - Charles Woods, Broker, Sunshine Realty Corp

²⁰⁰ "This has far-reaching implications for the property's future marketability, habitation, ability to obtain a mortgage and insurance. As a property owner, you could tear down the house and build an entirely new structure — and the search of deleted instruments will still indicate that it once was a grow-op." - Blair Drummie, Toronto Real Estate Lawyer

²⁰¹ "I (Johnston Meier Insurance) have one regular homeowners market that will insure a former grow op." "No matter how long ago they require Current Air Quality testing provided by a qualified contractor with CGL in place, current Electrical passed permit by someone with a CGL in place and current personal inspection by the broker, no matter how long since the grow-op." - Gloria Allinson, JM Insurance Group

This approach does not properly address the need to keep residential homes safe when used for the production of cannabis. The stigma attached to cannabis still exists by the banking and insurance industry, and individuals that choose to grow the permitted four (4) plants in their home, could be unintentionally affecting their ability to finance or insure their home in the future. Further definition of adequate remediation and the extent of what remediation would be required is needed to create clarity amongst the industry.

Under the British Columbia Cannabis Control and Licensing Act, adults 19 years and older may grow up to four non-medical cannabis plants at the dwelling house where they ordinarily reside. Non-medical cannabis plants cannot be grown in a place that is generally visible from a public place, such as parks, streets, sidewalks, sports fields, and K-12 school properties. Cannabis (including authorized medical cannabis) cannot be grown in a home licensed for child care.

Landlords and strata councils may further restrict or prohibit growing non-medical cannabis. Local and Indigenous governments can also further restrict growing nonmedical cannabis at home.²⁰²

The Province of BC's Cannabis Control and Licensing Act does include consequential amendments to various statutes, including: Residential Tenancy Act and Manufactured Home Park Tenancy Act to prohibit cannabis smoking under existing leases that prohibit smoking tobacco and to prohibit the personal cultivation of cannabis under existing leases, except for federally authorized medical cannabis. For new leases, the existing provisions of each Act that allow landlords and tenants to negotiate the terms of leases will apply.²⁰³

Although much attention recently has been paid to the real estate markets in the Greater Vancouver and the Toronto areas, remediation is a Canada-wide issue. Non-financeable homes pose diverse difficulties throughout various parts of Canada.

For example: in Quesnel, BC and other similar remote regions around the country, where housing demand is not as high, homes identified as grow-ops are often being left abandoned and are unable to be re-introduced in the housing supply as few financial institution or insurance companies will finance the properties. In areas such as Mission, BC, which has traditionally attracted new homebuyers with affordable homes as an extended suburb of the Metro Vancouver region, their community had 583 PUPL and 73 DPPL licenses, and an additional 671 ATP (Authorize to Possess) licenses covering a population of approximately 39,000 residents, spanning between 12,000-14,000 residential homes, (Trade and Invest BC n.d.). The amount of homes used for the cultivation of legal and illegal substances has decreased the stock of mortgageable properties, making it increasingly difficult for home-seekers to make a purchase.

Only those buyers willing to take the risk of buying in cash or with very high interest rate mortgages (if available) are able to access these properties. Due to the limited available buyers who could purchase in cash or qualify for very high-risk financing, many of these homes will sell for a reduced market value, ultimately affecting the housing stock values of the area.²⁰⁴

As a secondary concern, but no less alarming, across the country, homes that cannot be sold or reintroduced into the housing stock legitimately (with full remediation) would have the potential to be sold and/or rented privately to unsuspecting buyers or renters. This problem is not only affecting the

²⁰² <https://www2.gov.bc.ca/assets/gov/public-safety-and-emergency-services/public-safety/cannabis/grow-nonmedical-cannabis-factsheet.pdf>

²⁰³ <https://www2.gov.bc.ca/gov/content/safety/public-safety/cannabis>

²⁰⁴ <http://www.mission.ca/municipal-hall/departments/economic-development/community-profile/housing-market/>

current availability of homes but is also a public safety concern since there is no standardized schedule of remediation. For example, in the East Kootenays of British Columbia, housing availability for rental is at a historical low of 0.2%, lack of a minimum remediation standards in place allows homes that are not properly remediated or suitable for living, to be offered in the rental market to unsuspecting renters. Thus, potentially creating health and safety concerns for families.

While this problem challenging our housing stock has received limited attention from a few individual municipalities across the country, those organizations that are directly involved in the housing industry such as the Canadian Real Estate Association (CREA), Canadian Association of Accredited Mortgage Professionals (CAAMP), Insurance Bureau of Canada (IBC) and Canadian Homebuilders Association have been actively advocating for federal government intervention. In a concentrated effort to combat illegal property activity, CHBA has actively lobbied the Federal Government for policy reform measures, which would protect consumers, builders and industry affiliates. On a provincial level, the Ontario Real Estate Association (OREA) has actively conducted research, commissioned polls and lobbied their provincial government for intervention, and creation of the Clandestine Drug Operation Prevention Act. In British Columbia, the BCREA and BC Home Builders Association along with reps from the Mission Regional Chamber of Commerce have worked to align their concerns and research efforts to approach government together.

The summary page of the BCREA recent study calls for the province to create “Healthy Homes for British Columbians”²⁰⁵

To date, there remains no consistent or universal policy which will satisfy the needs of potential buyers, financial institutions or insurers in any meaningful way. The federal governments move to legalize cannabis could potentially lead to more personal grow-ups in homes. This highlights the increasing importance of having clear federal guidelines to address remediation, so that affected homes in the Metro Vancouver and Greater Toronto regions are not lost to the market, thus exacerbating the affordability crisis in these two regions, or any market where supply is tight relative to demand.

We believe that the only way to sufficiently address this situation is for the Government of Canada to take a lead role in developing the necessary standards. Exemplifying an instance of governmental standardization, the Alberta Provincial Government has shown excellent leadership specific to this concern. Prior to the last Alberta provincial election, the Grow-Op Free Alberta Final Recommendations Report was adopted in 2014, and contained 37 recommendations that encompass health, safety and remediation challenges residential grow operations pose to current inhabitants, potential buyers and the community and province as a whole. The Federal Government could certainly use these recommendations as a firm starting point.

Recently this policy was updated and brought back with unanimous support at the BC Chamber AGM in May 2019. Interest from other provinces & territories has continued including from NWT, Ontario and Alberta.

RECOMMENDATIONS

That the federal government:

²⁰⁵ <http://bcrea.bc.ca/docs/government-relations/ensuring-healthy-homes-for-british-columbians.pdf?sfvrsn=2>

1. Develop a comprehensive remediation standard to secure the conventionally available housing stock affected by legal and illegal manufacture and/or cultivation of substances, which will satisfy the needs of the industries affected including the real estate, financial, insurance and construction-related industries and the clients they serve.
2. Create a clear definition of when remediation would be required to create clarity amongst the industry.
3. Provide incentives to the provinces to create clear communication and training programs for citizens wishing to grow in their own homes so to reduce the risk of homes being classified as needing remediation

Submitted By: Cranbrook Chamber of Commerce

Co-sponsored By: Upper Ottawa Valley Chamber of Commerce, Abbotsford Chamber of Commerce, Terrace and District Chamber of Commerce, The Kimberley & District Chamber of Commerce and the Quesnel & District Chamber of Commerce

THE SPECIAL ISSUES COMMITTEE DID NOT REACH CONSENSUS ON THIS RESOLUTION AFTER REVIEW. SOME MEMBERS CONSIDERED IT TO BE OUT OF SCOPE FOR THE FEDERAL GOVERNMENT AND ITS LEGISLATIVE PURVIEW.

68. A Pan-Territorial Infrastructure Strategy

DESCRIPTION

It is essential for all regions in Canada to contribute to national economic prosperity and competitiveness. The ability of Canada's territories – Nunavut, Yukon, and Northwest Territories (NWT) - to meet their economic potential is significantly affected by inadequate and/or outdated transportation and communications infrastructure. Major investments in ports and roads, pipelines and rail, broadband and power transmission are required in order for the territories' potential to be realized.

BACKGROUND

Federal Government funding programs currently available to support infrastructure that promote trade, economic development and nation-building are dwarfed by the magnitude of the territories' needs. Additionally, the Canada Infrastructure Bank, which has been touted as a means to address the territories' infrastructure gap, has yet to deliver anything tangible north of 60. Given the limited pool of federal funding for nation-building infrastructure projects in the territories, territorial governments, Indigenous organizations and territorial communities are fiercely competing over very limited monies. Exacerbating this problem is the fact that proponents of infrastructure projects across territorial jurisdictions, are pursuing their individual processes in the absence of the benefit of having either an overall strategy or comprehensive coordination.

A pan-territorial strategy is needed to make the best use of the available resources for nation-building transportation and communications infrastructure in Canada's territories.

Surface transport for territorial community re-supply and resource development depends upon:

- Summer sealift in Nunavut and coastal NWT communities;
- A combination of Mackenzie River barging and winter road trucking throughout the NWT's 21 communities not accessible by all-season roads; and
- Trucking on paved and gravel highways to the remaining 12 communities in the NWT and most of Yukon.

It is important to note that the near-total lack of road infrastructure in Nunavut is a major drag on the territory's economic vitality. All communities in the territory of Nunavut rely entirely on air-transportation, apart from the one-time yearly delivery of barge sea-lift. This dependence on air transportation has continued to inflict Nunavummiut with high costs of living and running businesses. There is no relief in sight.

In addition, across the NWT, unseasonably warm temperatures have resulted in premature ice road closure and restrictions such as night-time only travel. Reduced hours for winter road means communities must rely more heavily on air transportation, which significantly increases the already high cost of living and doing business.

In Yukon, unseasonably warm temperatures have resulted in delays and/or the inability to build the yearly ice bridge to cross the Yukon River in Dawson City.

The road infrastructure in Yukon and the NWT has remained relatively unchanged for 40 years, although there has been some progress in the NWT, including the completion of the Inuvik-Tuktoyaktuk all-weather road in 2017, and the imminent construction of the all-weather road to replace the Tlicho winter road.

Many communities in all three territories (Yukon-8; NWT-33; Nunavut-25) have only winter road access (maximum 8 weeks/year) or no road access (Yukon-1; NWT-21; Nunavut-25).

In recent years, communities in the Northwest Territories and Nunavut have been negatively affected when barge services have been cancelled with little to no notice, leaving residents, businesses and municipalities waiting for supplies. In 2018, the Government of the Northwest Territories cancelled resupply barges in 2018 in the NWT and Nunavut, citing high water levels on the Mackenzie River, ice-blockage in the Beaufort Sea and fuel shortages.²⁰⁶

Canadian Arctic ports are few:

- One shallow draft port at Tuktoyaktuk, NWT, with barge terminals and marine supply bases from an earlier era of oil and gas exploration; and
- Two deep water ports, both on the north tip of Baffin Island, Nunavut, with Nanisivik Mine dock repurposed as a naval facility and the Mary River Mine Milne Inlet Port.

Inland connections are also limited to:

- Two marine/rail transfer facilities: Port of Churchill, Manitoba with inland access by rail only, and Hay River, NWT Barge Terminal, with a highway connection;
- Three road/railheads: CN railheads connect to the Mackenzie Highway at Hay River, NWT and to the Alaska Highway at Fort Nelson, BC; White Pass & Yukon Route (though only a seasonal tourist/passenger carrier) railheads connect to the Alaska and Klondike Highways at Carcross, Yukon;
- Three highway gateways: Mackenzie Highway Gateway to the Mackenzie Valley and Yellowknife, NWT; Alaska Highway Gateway to Yukon and Alaska; and the Klondike/Dempster Highway Gateway to the Mackenzie Delta and Beaufort Sea; and
- Winter roads, the seasons of which are becoming increasingly short.

The communications infrastructure deficit:

The territories' broadband communications infrastructure relies primarily upon satellite for its delivery. In addition to its vulnerability to service outages that can plunge the territories into a communication blackout, satellite technology has no economies of scale making it very – often prohibitively – expensive compared to southern Canada and to what it would be if delivered by fibre optic cable.

RECOMMENDATIONS

That the federal government:

1. Adopt a Pan-Territorial Infrastructure Strategy to identify common requirements for:
 - Increased marine traffic through the Northwest Passage (cruise ships, commercial shipping)
 - Multi-national security (NORAD maritime mission, Arctic/Offshore Patrol Ships, ice breakers, increased marine transportation through the Northwest Passage)

²⁰⁶ The Government of the Northwest Territories purchased the barge service from a bankrupt business after cancelling barge supply to Nunavut and northern NWT communities in 2016. Barge cancellation affects the sustainability and quality of life of fly-in – and is economically devastating for – communities with no road access.

- Environmental protection (tanker monitoring, ship spill response, blow-out containment)
 - Resource development (on/offshore oil & gas, mine supply and mineral exports)
 - Community resupply (fuel and cargo)
 - Energy transmission (oil, gas and electricity)
 - Broadband telecommunications
2. Meet those common requirements through a Territorial Corridors Coordinating Agency that will vet infrastructure investment options to:
- Seek strategic solutions for cross-jurisdictional, multi-modal infrastructure challenges;
 - Address Indigenous rights through socio-economic reconciliation and engagement with Indigenous governments and businesses;
 - Address business and community concerns through public engagement that promotes economic opportunities for all territorial residents
 - Spread, share and reduce the financial burden and risk by screening for project synergies, eliminating duplication, building scale economies and pre-permitting common use corridors; and
 - Monitor and adjust for changing risks and opportunities, while updating best practices for public and private investment in territorial infrastructure.

Submitted By: Canadian Chamber of Commerce, Territorial Policy Committee

69. Accelerating Transportation Infrastructure to Serve One of the Fastest Growing Regional Economies in Canada

DESCRIPTION

Efficiently moving people and goods is essential for economic growth and for building a prosperous future for Canada, its communities and its citizens. The economies of the Okanagan Valley and the southern Interior are inextricably linked to those of BC, Canada, and to our trading partners in the United States. However, the current transportation infrastructure connecting Washington State through to the TransCanada Highway in the interior of BC is not keeping pace with the population and economic growth of the region.

BACKGROUND

The Okanagan Valley is one of the fastest growing regions²⁰⁷ not just in the province but in the entire country. A failure to address significant stress points along the valley corridor in a timely manner will limit that growth, minimize prosperity, create inter-community transportation challenges and consequently limit the region's contribution to the nation's economy.

Traffic in the region has grown along with the population and while individual mobility gets much of the attention from local governments, movement of goods, products and service vehicles gets very little attention. Given that transportation is a significant economic driver for BC and its efficiency impacts indirectly all other aspects of our national economy, the establishment of a long-term integrated transportation strategy that considers business and industry needs is essential in ensuring BC's, western Canada's and our nation's economic success.

According to the most recent census, British Columbia's population increased by 60% from 1986 to 2017 and the Central Okanagan has seen the largest regional population increase—114% since 1986.²⁰⁸

Population is projected to continue to grow rapidly through the Okanagan Valley, which will lead to further diversification of the economy through expansion in retail trade, construction, tourism and service industries. This growth is placing increasing traffic demands on Highway 97, Highway 97A and 97B.²⁰⁹

Significant government investment, both provincial and federal, in transportation infrastructure improvements is needed to ensure the safe and efficient movement of people and goods, and reflect the objectives identified by communities as part of the 2011 Okanagan Valley Traffic Symposium.²¹⁰

A recent Ministry of Transportation and Infrastructure study²¹¹ of the Central Okanagan identified a number of concerns and noted that by 2040, the WR Bennett Bridge linking Kelowna to West Kelowna and spanning Okanagan Lake will reach capacity in its current configuration. The approaches on both

²⁰⁷ <https://www150.statcan.gc.ca/n1/pub/91-214-x/2018000/section01-eng.htm>

²⁰⁸ Trends in BC Population Size & distribution – Ministry of Environment, BC Government
<http://www.env.gov.bc.ca/soe/indicators/sustainability/bc-population.html>

²⁰⁹ BC Ministry of Transportation Website – Okanagan Valley Corridor

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/projects/okanagan-valley-corridor>

²¹⁰ <https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/projects/okanagan-valley-corridor/okanagan-symposium>

²¹¹ Okanagan Lake Second Crossing Project – Consultation Companion Report, Min. of Transportation, spring 2017. Summary of Key Findings

sides will reach capacity before then. Counterflow lanes and pedestrian/bicycle lane removal are now being considered for retrofits to improve traffic flow. The study also noted that by 2040 all signalized intersections within developed areas in the study will experience significant congestion and delay.

Transportation improvements in the interior of British Columbia by the Province, the federal government and local governments over the past few decades have been positive but despite those improvements and because of the region's rapid growth, congestion and lack of infrastructure are creating significant challenges. As examples: the lack of a bypass or secondary routes around the urban centres; the continual risk of landslides along highway 97 and highway 97A connecting the central valley cities to the south and the US border; numerous other safety concerns; and congestion throughout the region all are threatening to hamper growth and constrain the economy. Notably, Highway 3 is a vital corridor for the transportation of both commercial goods and the traveling public between Vancouver and the Alberta border. At present, this route is one of the ten least safe roads in the province due to its narrow twists and turns. Realignment to improve the highway by widening and straightening will improve the flow of commerce and travel in southern British Columbia for the benefit of the entire province²¹² and the economy of western Canada and the connections to US markets.

Some studies and plans have been completed by various authorities. However, it has been some time since the Province and the federal ministries responsible for transportation infrastructure fully engaged the business community and industrial stakeholders who rely heavily on the trucking industry to move more and more products to and from customers within, and throughout the region. Reduction in freight rail service over the last decade has also led to a dramatic increase in industrial traffic which has only added to the problem. This increased truck traffic, fueled primarily by diesel fuel, has led to a rise in GHG emissions which of course has a negative impact on the region's air quality, especially when traffic jams are factored in.

Unfortunately, responsibility for transportation is highly fractured; all levels of government retain some responsibility over the transportation system and as such all must recognize the absolute necessity of integrated long-term planning that addresses both the movement of people and products. The federal government should step in and take the lead on this vitally needed infrastructure consultation and plan for change. To ensure prosperity in our western provinces, and to capitalize on the explosive growth in one of the fastest growing regions in the country, immediate federal involvement is imperative. The current fragmented approach to planning may be one of the factors fueling the stalled discussions around a second crossing of Okanagan Lake and bypass routes around major metropolitan areas. Regardless of the causes of the delayed discussions, those in the trucking industry and commuters themselves are increasingly concerned and frustrated by the clogging of the transportation arteries that are the lifeblood of the economy.

It is also important to note that multiple surveys conducted by various Chambers in the interior of British Columbia have flagged transportation as the number one issue for businesses and industry. The Mayor of Kelowna said in a public speech in April of 2019 that transportation is the "number one most important issue raised by residents of Kelowna, year over year."

RECOMMENDATIONS

That the federal government:

²¹² <https://globalnews.ca/news/1819213/british-columbias-12-deadliest-highways/>

1. Establish a long-term vision for the Okanagan's transportation network that builds on the vision of the "Cariboo Connector" and commits to a multi-lane highway that spans the entire region.
2. Re-engage the business community and industry leaders in the Okanagan in identifying and implementing strategic regional investments in the transportation network including but not limited to accelerating the planning and implementation of:
 - a. The second crossing of Okanagan Lake to better serve the rapidly growing cities of Kelowna and West Kelowna.
 - b. Highway bypass routes near Peachland, Kelowna, and Vernon.
 - c. Grade separated interchanges along highway 97 near high population areas that accommodate higher vehicular capacity and reduce the negative impacts of stop and go industrial traffic at controlled intersections.
 - d. Realign Hwy 3 to improve the highway by widening and straightening to improve the flow of commerce and travel in southern British Columbia for the benefit of the entire province, including commerce with Alberta & the US.
3. Initiate a discussion with regional local government leaders, along with industry and business leaders in evaluating the potential of creating a regional governance model to plan, implement, and operate a regional transportation system.
4. Engage in discussions with transportation authorities in Washington State in identifying opportunities to enhance the inland transportation corridor for business and industrial traffic.
5. Work with the all levels of provincial and local governments to enhance the capacity and operation of the US border crossings in the interior of BC as a means of strengthening economic activity and providing a viable alternative to ever-increasing traffic gridlock along the US I-5 corridor.

Submitted By: Penticton & Wine Country Chamber of Commerce

Co-sponsored By: Kelowna Chamber of Commerce, Greater Vernon Chamber of Commerce, the Greater Westside Board of Trade, the Peachland Chamber of Commerce, and the Summerland Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION WITH THE FOLLOWING CHANGES: - THE BACKGROUND AND RECOMMENDATIONS SHOULD BE MORE NATIONAL AND LESS REGIONAL IN FOCUS TO HIGHLIGHT THE NATIONAL SIGNIFICANCE OF TRANSPORTATION BOTTLENECKS IN THE OKANAGAN VALLEY

70. Addressing the Impact of Climate Change on Indigenous Communities' Transportation Infrastructure

DESCRIPTION

For remote communities in Canada, winter brings a vital network of ice roads. However, climate change continues to threaten the seasonal transportation infrastructure relied upon by many remote Indigenous communities, leading to socioeconomic challenges that will only worsen as increasingly warmer temperatures further reduce winter road access.

BACKGROUND

For remote northern Indigenous communities across Canada who are otherwise inaccessible by permanent conventional roads or railways, networks of seasonal "winter roads" made of ice or snow provide temporary access to a permanent provincial and territorial highway or railway system. These seasonal roads are used by individuals and businesses from freeze-up until spring thaw. They are of significant socioeconomic importance, allowing for goods to be moved at a cost two to three times lower than air transport, which is frequently the sole alternative. As well, the winter roads are often the only option for the transportation of heavier items such as vehicles, equipment, and building materials into these remote communities. For instance, in Northern Ontario, 30 First Nations communities depend on thousands of kilometres of winter roads as a lifeline for transportation and shipment of goods.²¹³ These are also a key avenue for resource development projects such as the Ring of Fire, whose century-long project value-estimated at more than \$60 billion could address revenue sharing that could see a combined annual savings of \$5.2 million on all-season road maintenance²¹⁴ and would create a transportation corridor that would connect the development's mineral deposits and remote First Nations communities who currently rely heavily on the use of winter roads.²¹⁵

Another example is the world's longest ice highway, the Tibbitt to Contwoyto Winter Road, a 600-kilometer network of frozen lakes that connects lucrative diamond mines in Canada's Northwest Territories to supplies from the nation's not-quite-so-far north. Warmer winters and earlier springs have shortened the road's open season by up to two weeks over the past decade. The loss of the road for even such a short time is costly due to the mine's remote fly-in location.²¹⁶ This is similarly seen throughout Canada: in northern Manitoba, 30,000 people live in 28 remote communities otherwise inaccessible by conventional roads.²¹⁷

There has long been a push to develop a permanent road system in many of these regions, in light of the obvious economic and social benefits. This call has become more pressing as climate change continuously shortens the duration of the winter roads, which in turn threatens the economic viability of nearby resource projects as well as the communities themselves; access to goods and services is reduced, and the window for specific project activities is shortened considerably. For many such communities, winter roads have traditionally been functional for upwards of 80 days per year, a figure that has in some cases shrunk to as low as 20 days in recent years.²¹⁸ In northern Saskatchewan, warmer

²¹³ <http://www.republicofmining.com/2016/03/08/invest-north-ontario-and-canada-needs-full-inclusion-of-first-nations-to-kick-start-the-economy-by-ontario-regional-chief-isadore-day-metro-toronto-convention-centre-march7-2016/>

²¹⁴ <https://www.cbc.ca/news/canada/thunder-bay/ring-of-fire-road-study-1.3730976>

²¹⁵ <http://www.nan.on.ca/article/winter-road-network-2018-1904.asp>

²¹⁶ republicofmining.com/2019/04/18/climate-change-threatens-ice-roads-satellites-could-help-by-nick-stockton-wired-magazine-april-18-2019/

²¹⁷ Enhancing the Resilience of Manitoba's Winter Roads System: International Institute for Sustainable Development, 2014.

²¹⁸ <https://news.vice.com/article/canadas-ice-roads-are-melting-and-that-is-terrible-news-for-aboriginal-communities>

temperatures through early 2016 rendered winter road access unsafe for three northern communities, preventing the transportation of crucial supplies.²¹⁹

This year, communities in the territory's North Slave region have seen temperatures rise well above zero.²²⁰ The climbing temperatures prompted the Department of Infrastructure to recently restrict road use of the Mackenzie Valley and Tlicho winter roads to night travel only.²²¹ With limited access to winter roads and having to rely more heavily on air transport, many within these communities are facing rising costs of living.²²²

This problem is only expected to worsen in the coming years: various climate studies, such as one undertaken by the province of Manitoba, the Prairie Adaptation Research Collaborative, and the University of Winnipeg, which projected the winter road season would further shrink by another 10 days in the 2050s, and 14 days in the 2080s.²²³ Additionally, temperature warming is threatening the reliability of winter roads in Manitoba's Northern communities, which are essential for access to provisions and transport meaning these communities will face greater challenges with accessing food and other supplies.²²⁴

As indicated by former Ontario Regional Chief Isadore Day, "Far too many northern communities rely upon winter roads as critical transportation links in order to receive larger items such as building materials and food items in bulk that can last for months. Building permanent roads and bridges in the far north must become a priority so all First Nation communities can achieve the quality of life standards that their non-First Nation counterparts within this province and country currently enjoy,"²²⁵ – a sentiment of concern also expressed by countless other Indigenous leaders across the country. This has been echoed by Crown-Indigenous Relations Minister Hon. Carolyn Bennett, who has committed to continuing work with Northerners and Indigenous and territorial partners to address this issue with "long-term solutions."²²⁶

The effects of climate change are more dramatic in the North than in the rest of Canada. Global warming and fluctuating climatic conditions are causing the premature deterioration of transportation infrastructure. More pronounced freeze-thaw cycles are causing airport tarmacs to buckle and dip. Additionally, permafrost degradation due to warming temperatures poses challenges for road construction and maintenance, since it is increasingly difficult to ensure stability.²²⁷ While we are pleased to see the federal government has taken important steps in recognizing remote and northern realities, most notably, the Canada Infrastructure Program's Rural and Northern Stream, more is needed.

RECOMMENDATIONS

That the federal government:

²¹⁹ <http://www.cbc.ca/news/canada/saskatoon/fsin-climate-change-first-minsters-meeting-1.3472278>

²²⁰

http://climate.weather.gc.ca/climate_data/daily_data_e.html?StationID=49369&timeframe=2&StartYear=1840&EndYear=2019&Day=27&Year=2019&Month=3#

²²¹ <https://www.cbc.ca/news/canada/north/wekweeti-winter-road-late-1.5062005>

²²² Ibid.

²²³ Enhancing the Resilience of Manitoba's Winter Roads System: International Institute for Sustainable Development, 2014.

²²⁴ <https://www.theweathernetwork.com/news/articles/canada-by-2030-earth-climate-change-manitoba-ontario-quebec-invasive-species-farming-skiing-forests-blackout-heat-wave/106341>

²²⁵ http://www.chiefs-of-ontario.org/news_item/regional-chief-isadore-day-on-north-caribou-lake-first-nations-grand-opening-of-all-season-bridge-opening-doors-to-new-opportunities/

²²⁶ <https://www.rcaanc-cirnac.gc.ca/eng/1553021710453/1553021765428>

²²⁷ http://www.tc.gc.ca/eng/ctareview2014/CTAR_Vol1_EN.pdf

1. Continue to advance work with industry stakeholders and Indigenous communities to determine the full impact of climate change on their transportation infrastructure, continue to work with local, provincial and territorial governments to subsequently advance economic development by forming partnerships, and continue developing strategies to implement all-season road networks where appropriate.
2. Build on recent budget announcements with a dedicated Northern Infrastructure Fund and ensure the Arctic Policy Framework has a strategic implementation plan and is appropriately funded.

Submitted By: Timmins Chamber of Commerce

Co-sponsored By: Greater Sudbury Chamber of Commerce, North Bay and District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, and Thunder Bay Chamber of Commerce.

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.
THE INDIGENOUS AFFAIRS COMMITTEE SUPPORTS THIS RESOLUTION.

71. Advancing Canadian Competitiveness Using Short Line Rail

DESCRIPTION

The timely movement of goods and economic competitiveness of Canada is restricted by the underutilization of an important infrastructure asset – short line rail. Creating programs that encourage development and investment in this infrastructure asset will improve Canadian competitiveness and further regional economic development across the country.

BACKGROUND

For many communities, the arrival of rail infrastructure in the late 1800's and early 1900's opened up economic potential where there were previously limited opportunities. Strategic investment in the short line railways of today could have the same impact. Canada currently has 53 short line railways. These railways are critical links in the country's transportation system with one in five car loads originating on Canadian railways originating on a short line. Operators of short line rail contribute 7 percent of the rail sector revenue and support 3,000 direct jobs.

According to Transport Canada, short line railways are a fundamental component of the country's rail network, feeding and delivering traffic to and from mainline railways, originating more than 20% of all CN and CPR's freight carload traffic, and moving billions of tonne-kilometres back and forth from Class 1 railways.

The Railway Association of Canada (RAC) in its submission to the Canada Transportation Act Review goes on to identify supply chain connectivity, employment, regional economic competitiveness, and reduction of negative externalities associated with road transport, including emissions, road wear and congestion as further reasons for ensuring short line operations. Given the economic and environmental benefits the document recommends increased access to capital funding and a tax credit program.

The main challenge for short line rail companies is access to capital funding to address accumulated deferred maintenance. On average about 12 percent of revenue generated by these companies is reinvested in capital expenditure projects. Companies running Class 1 railways, by comparison, must invest approximately 20 percent of their revenues in capital projects. Programs that encourage more capital investment in short line rail will improve the infrastructure needed to get Canadian goods to regional and international markets.

One example from Ontario is a 100 mile section of track where the classification is short line Class 1 Slow 10 mph. For a freight train to travel that length of track it takes 12 hours and this is happening 3 times a week. The freight consumers on this track have indicated that they would be willing to take advantage of an upgraded railway.

In Atlantic Canada, there is an opportunity for maintenance and expansion of short line services to significantly increase economic activity. There is a need for short line rail to provide critical infrastructure to two proposed container terminals. These terminals will be located on Atlantic marine routes and would allow container freight to access rail connections to eastern and central businesses a full day earlier. The ability to connect these terminals to short line services is essential as alternative increase in truck traffic is not feasible.

Without rail connectivity infrastructure projects such as these will die; export opportunities will evaporate and valuable products and resources may never get to market. Canada's ability to produce wealth is diminished without these key linkages.

Canada's response to the needs of short line railways also falls behind the number of national and state programs that are available in the US. The US government is poised to make permanent the Railroad Track Maintenance Credit demonstrating the importance of the short line railways to the overall railway system. The credit provides a 50-percent business tax credit for qualified railroad track maintenance expenditures paid or incurred by an eligible taxpayer.

Increased capital investments in short line rail infrastructure also have the potential to increase safety and lessen environmental impact.

In the RAC submission to the Canada Transportation Act, a short line representative says "The lack of investment opportunity translates into lost revenues for short lines and the customers they serve. If the resources were there, they could grow their business."

The Canadian Chamber of Commerce 10 Ways to Build a Canada that Wins calls on the government to "allocate more of its 10 year infrastructure plan for investments to modernization and improvement of Canada's trade infrastructure This infrastructure support needs to include short line rail, which Transport Canada also views as a key component to regional economic development.

228 229 230 231

RECOMMENDATIONS

That the federal government:

1. Create a dedicated short line capital funding program that is accessible to all short line companies.
2. Establish a tax credit program to assist short line rail companies in making capital investments.

Submitted By: Cape Breton Chamber of Commerce

Co-sponsored By: Greater Peterborough Chamber of Commerce, Regina Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

²²⁸ Roy and Ludlow. (2015). CPCS for Railway Association of Canada. Review of Canadian Short Line Funding Needs and Opportunities. Retrieved April 11, 2016 from http://www.railcan.ca/assets/images/CTA_Review/Submission_2/Appendix_E_-_Canadian_Shortline_Rail_Funding_Needs_and_Opportunities.pdf

²²⁹ Transport Canada. (2012). Transportation in Canada 2011: Rail Transportation. Retrieved April 11, 2016 from <https://www.tc.gc.ca/eng/policy/anre-menu-3020.htm>

²³⁰ Retrieved May 21, 2019 Railway Age., (February 15, 2019) <https://www.railwayage.com/freight/short-lines-regionals/45g-permanence-inches-closer/>

²³¹ Retrieved April 11, 2016 <https://www.railcan.ca/news/rac-repeats-calls-for-programs-to-help-shortlines-invest-in-infrastructure/>

72. Improve the Financial Viability Of Via Rail To Increase Passenger Rail Service In Canada

DESCRIPTION

VIA Rail is losing money and has consistently done so since it became a Crown corporation in 1977. This decline in the areas of infrastructure, equipment renewal and dedicated passenger rail rights-of-way must

be addressed. By improving service in the most used corridor (Quebec City – Windsor), the profitability of the VIA Rail corporation would improve, enabling it to better serve all Canadians while generating economic growth.

BACKGROUND

VIA Rail provides intercity transportation across the nation, from Prince Rupert to Halifax. Since 1977, it has experienced repeated funding cuts resulting in budgetary deficits, reduced service, declining on-time performance and cuts to services across Canada, particularly in lesser populated and less central regions.

The average ridership in the 1980s was 6.8 million passengers annually. After the federally-mandated cutbacks to service, staff and spending in 1989, ridership dropped by 45%²³² by the following year and remained low since then. In 2015, VIA Rail carried only 3.8 million passengers and had an operating loss of \$280 million²³³.

The movement of goods and people, whether they are workers, students, tourists or seniors, is essential to a growing economy, but each year traffic congestion costs our economy an estimated 8 billion²³⁴. By increasing public and private investments in dedicated passenger rail lines and high-frequency service, VIA would reduce commuter gridlock in the busiest corridors.

Investments in VIA Rail and its infrastructure would also create more options to connect to other transportation modes like light rail and transit. It would increase connectivity to other, smaller and more remote communities and enable trains to run faster and more frequently. Ridership and tourism would increase, and manufacturing, engineering and construction jobs would be created. Dedicating lines for passenger rail would also ease the movement of freight traffic. The current model of sharing track is no longer practical for either party, due to significant increases in freight being moved across Canada over the past decades. If freight traffic continues to increase as expected, VIA service will become less efficient and less profitable. However, dedicate passenger lines would allow VIA to control the frequency and reliability of its trains and attract more customers. Increasing intercity passenger rail would also be a marked reduction in the transportation sector's share of greenhouse gas emissions as there would be fewer cars on the road and modern fleets would generate fewer emissions. In the Montreal-Toronto corridor alone, high-frequency rail would increase ridership 3.5 times, significantly reducing the current 87% of trips made by car²³⁵. The National Association of Railroad Passengers report that rail is the most energy efficient means of transportation

²³² "VIA Rail Canada Inc. and the Future of Passenger Rail in Canada", Jean Dupuis, Industry, Infrastructure and Resources Division, Parliamentary Information and Resources Division, 2011

²³³ 2015 VIA Rail annual report

²³⁴ "Modernizing Passenger Rail: A Generational Imperative", Yves Desjardins-Siciliano, Canadian Politics and Public Policy, Policy Magazine, May/June 2016

²³⁵ "VIA Rail looks to private investment for \$3-billion dedicated track plan", The Globe and Mail, June 4, 2015

over distances more than 100 km. It is 22.7% more energy efficient than travel by car and saves 4.2 billion gallons of gasoline.

The 2016 federal budget addressed some of these concerns by committing \$3.4 billion towards public transit systems across Canada. This includes \$44 million towards VIA Rail fleet renewal “pre-procurement”, safety improvements, improving station and maintenance centres and assessing the need for high-frequency rail. Given the government's commitment to the movement of people and goods, and its decision in 2015 to decrease operational funding for VIA Rail by \$37.1 million, even more, funding is needed for passenger rail.

By focusing its initial investments in the most travelled and profitable corridor (Quebec City to Windsor) the company could boost its profits, become economically viable and better positioned to serve other regions in Canada. By accessing public and private funding, VIA would be capable of expanding its service across Canada, while contributing to (not hindering) economic growth and minimizing the use of taxpayer funds.

RECOMMENDATIONS

That the federal government:

1. Enable VIA Rail to raise the necessary financial capital to improve and expand its services to more communities across Canada by:
 - a. Supporting VIA Rail's plan to acquire dedicated rights of way and invest in high-frequency rail corridors.
 - b. Enabling VIA Rail to seek private sector investment in dedicated lines and enter into private-public partnerships for the operation of stations.

Submitted By: Sarnia Lambton Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

73. Increase Safety Related Infrastructure Funding For Canada's Small Airports

DESCRIPTION

After over 20 years, the Airport Capital Assistance Program (ACAP) is in need of revision to reflect changes in inflation and regulation so that it can remain a viable resource for the nation's small airports

BACKGROUND

Aviation has been at the heart of Canada's transportation strategy since the early days of air mail. Today, some 149 million passengers a year pass through Canada's airports—more than 18 million passengers pass through medium and small airports—with scheduled commercial passenger service that connects Canada from coast to coast.

But while smaller airports play just as important a role in linking their communities to the rest of Canada and the world, lower traffic volumes can present challenges for these airports to cover the costs of their operations as well as needed upgrades.

HOW AIRPORTS ARE FUNDED

Under Canada's National Airports Policy (NAP), airports are responsible for covering the costs associated with operations and maintenance. Airports have three main sources of revenue available to them:

1. Aeronautical revenue - Landing fees and other charges to air carriers
2. Non-aeronautical revenue - Revenue from retailers, services, real estate development and other businesses
3. Airport Improvement Fees and Passenger Facility Fees - charged to passengers and dedicated to capital projects and operations

Lower traffic volumes have a direct impact on aeronautical and non-aeronautical revenue as fewer people travelling through an airport means fewer people to use the airport's service businesses. In 1994, the Canadian government created Airport Capital Assistance Program (ACAP), as part of the NAP, to provide essential funding to Canada's regional/local airports for safety improvements. The program is a valuable tool to the nation's airports, however ACAPs funding structures have not been kept up to date to meet the demands of the industry as well as inflation rates over the past 20 years.

The ACAP program is administered by Transport Canada and there are three categories of priority for funding. They are ²³⁶ :

- 1st Priority: Safety related airside projects such as rehabilitating runways, taxiways, lighting, visual aids, firefighting equipment and the equipment shelters required by regulation.
- 2nd Priority: Heavy airside mobile equipment and safety-related items such as runway snow blowers, plows, sweepers, spreaders, winter friction testing devices and airside equipment shelters.
- 3rd Priority: Air terminal building/groundside safety related items such as sprinkler systems, asbestos removal and barrier free access.

²³⁶ The Types of Projects ACAP Funds. (2010). Retrieved March 4, 2016, from <https://www.tc.gc.ca/eng/programs/airports-acap-types-projects-funds-325.htm>

ACAP provides approximately \$38 million per year towards airport essential safety projects²³⁷. This amount has held steady since 1995, but the cost of doing business has increased considerably, with increases in inflation and the security requirements imposed after 2001.²³⁸

For 18 years, ACAP funding has not increased and is no longer sufficient to ensure the support for safety and security of 200 airports in Canada. Adjusted for just CPI inflation (2011-2018), would indicate that the program should have been funded at \$53 million in 2019. However, given the particularly steep increase in construction costs and pent-up demand from airports that have not been able to received funding for their projects, the actual need is closer to \$95 million a year, as some airport groups have called for.

Airport infrastructure and equipment is a specialty industry leaving airports and aviation with limited opportunities for access and choice, which understandably leads to higher costs. For example; the cost to replace a plow truck for runway winter maintenance was \$152,000 in 2005. In 2011, replacing the same truck cost \$245,500, a 61% increase in just six years. A runway rehabilitation project in 2001 cost \$4.5 million, that same runway project today would be \$10.2 million, an increase of 125%.

It is apparent that the increasing cost of maintaining and replacing airport infrastructure, in the absence of increased funding levels in ACAP is leaving airports in an on-going struggle to maintain capital infrastructure in a safe and efficient manner. In many cases, ACAP is a small airport's only source of capital for infrastructure and equipment purchases.

While there are now three levels of priority for funding projects in the ACAP program, the majority of projects being funded are Priority Level 1 and 2 projects. Airports contend that the program is insufficiently funded to be consistent in meeting its original intent.

At the NAP's inception in the 1990s, the regulatory requirements on airports was significantly less administratively and financially cumbersome than they are today. Smaller airports across Canada bear this burden more heavily than larger airports as safety standards are not diminished relative to airport size. Through the implementation of minimum safety requirements, small airports are required to invest heavily and maintain a level of safety vigilance that did not exist when ACAP was established.

For example, in some cases airports are only funded through ACAP for one plow truck or one sweeper. Regulatory requirements, turnaround times and changing climate see many airports require two or more units to provide safe and reliable operational conditions. But it appears that these considerations are not being given weight in the approval process. The thresholds for mobile equipment needs in the ACAP program are not representative of the current demands of operating a safe and secure airport. In addition, weather patterns have changed over the past 20 years. There are more high and low temperatures and airports require more equipment to keep up with the demands during severe weather events. The threshold levels for heavy mobile equipment should be re-evaluated as they no longer meet the current safety requirements and operational demands.

The Airport Capital Assistance program is vital to all small airports across Canada. Airport associations across the country are all advocating for increased investment in the ACAP program. After over 20 years the program is in need of revision and improvement to reflect the changes in inflation and regulation so that it can remain a viable source for the nation's small airports.

²³⁷ Evaluation of the Airports Capital Assistance Program (ACAP). (March 2015) Retrieved March 5, 2016, from <https://www.tc.gc.ca/eng/corporate-services/des-reports-1267.html#toc2>

²³⁸ Canadian Airports Council

RECOMMENDATIONS

That the federal government:

1. Increase ACAP funding to account for inflation and increased capital and equipment costs at regional/local airports across the county.
2. Review and re-establish threshold levels and acceptable technical specifications for heavy mobile equipment to appropriately meet the realities of the current regulatory and operational environments.
3. Ensure all new regulatory safety requirements that place a cost burden on ACAP eligible airports are 100% ACAP funded in the future, e.g., Runway End Safety Areas.

Submitted By: Atlantic Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

74. Keeping Canada's Air Travel Industry Sustainable & Affordable to Canadians

DESCRIPTION

Domestic air travel within Canada is significantly more expensive than domestic air travel across the United States. The high cost of Canadian domestic air travel makes it inaccessible to some Canadians and limits Canada's ability to grow the tourism industry and to operate multi-city Canadian businesses. Due to the competitiveness of air travel prices in the US, many Canadians head south of the border to depart for flights meaning that Canadian airlines, airports and businesses lose possible revenue streams that could be otherwise redirected into the Canadian economy.

BACKGROUND

Despite recent progress on foreign ownership restrictions increased to 49 percent from 25 percent previously which allows for more Ultra Low-Cost Carriers to enter the marketplace, there are additional hurdles to overcome in order to keep air travel costs low. If the federal government continues to roll out its carbon tax, hundreds of millions of dollars will be added to the cost of domestic air travel. Secondly, the abrupt introduction of Airline Passenger Protection Regulations (APPR) could imply significant unintended consequences. The APPR will likely threaten the competitiveness of Canada's airline industry, thereby impacting the many areas of the Canadian economy that rely on the connectivity offered by airlines. The new regulations will lead to increased costs to carriers and airports that will likely flow through to the passengers in the form of increased fares, and may ultimately result in a reduction in service, making air travel in Canada considerably more challenging.

Domestic air travel in Canada is already excessively expensive as a result of high federal fees and taxes on travellers, shippers, airports and airlines. In addition to GST/HST, fuel excise taxes and some \$390 million a year that airports pay to the federal government in the form of "airport rent." To add a carbon tax to the mix will have significant environmental, economic and social impacts and will jeopardize the longer sustainability of the Canadian aviation industry.

The taxes and fees for domestic air travel in Canada include:

- 5% - 15% GST / HST
- \$7.12 Air Travellers Security Charge (ATSC) each way up to \$14.25
- \$5-\$30 in Airport Improvement fees (no limits)

A \$600 round trip flight within Canada could be subject to \$165 in taxes and fees (over 27% increase from base fare).

For comparison, domestic air travel taxes and fees in the United States include:

- 7.5% US domestic transportation tax
- Up to \$5 domestic passenger federal flight segment tax
- Up to \$4.50 passenger facilities charges for airport improvements (up to 4 per journey and max 2 per one way trip)

A \$600 round trip flight within the US would be subject to up to \$69 in taxes and fees (11.5% increase from base fare).

Lower fees for US domestic travel appeals to Canadians and as such they head south of the border for departures to international locations. An estimated 5 million Canadians crossed the border to fly out of the US and avoid high Canadian airline fees. Many of the airports in small US towns bordering Canada have a significant number of Canadian customers such as Bellingham, WA, Grand Forks, ND, Buffalo, NY

and Plattsburgh, NY and various eastern seaboard airports. Canadian travellers re-routing through the US causes Canada to lose both revenue and jobs that could be retained or created if domestic air travel within Canada were more accessible and affordable.

The Canadian economy is shifting away from reliance on the oil and gas industry and moving towards technology. While, the oil and gas industries required more travel to remote destinations, technology companies in Canada require travel to other Canadian cities. Technology entrepreneurs should be encouraged to grow businesses within Canada to penetrate and stimulate the Canadian economy. This means opening offices in various cities across the country. The current cost of domestic air travel discourages growth of companies within Canada as it is too expensive to frequently travel between Canadian destinations. This drives Canadian businesses to open offices within the US as the cost to travel to these offices is reduced. Although Canadian business penetrating the US market can be a positive thing, many Canadian businesses are acquired by US companies once parts of their operations move south of the border. Reducing the cost of air travel within Canada could help to stimulate small business growth across the country and allow successful acquisitions within Canada.

The National Airlines Council of Canada has recently commissioned three studies to assess how a carbon tax would affect domestic air travel. The first study, Carbon Pricing in the Canadian Aviation Sector, found that a carbon tax would not reduce carbon emissions in the medium term because of the aviation industry's technological and systems maturity with respect to fuel consumption and emissions. The second finding of the study was that a carbon offset system was better suited to the industry and would result in measurable emission reductions. Simply stated, a carbon tax will not curb carbon emissions from aviation.

The second study, Impacts and Analysis of Carbon Pricing on Canada's Trade Exposed Aviation Sector, examined some of the more salient market distortions that the backstop carbon tax on air travel would cause.

The most recent study, Evaluation of Carbon Tax Backstop Costs on Domestic Air Travel: 2019-2030, reviewed the cost impact on various domestic routes, the effects of a national carbon tax on air travel between 2022-2030 and the competitive position of Canada's commercial aviation industry. It also quantified the revenue windfall generated by a carbon tax on domestic aviation which would be almost \$850 million a year by 2030.

The carbon tax would not only conflict with the federal government's plans to grow Canada's visitor economy, it would weaken domestic tourism thus encouraging Canadians to travel outside of Canada and creating an anti-tourism bias, albeit unintentionally. Linked to this, a carbon tax will drive even more Canadians to USA airports and destinations than it is currently.

Implementing a carbon offset system, similar to the one adopted by the International Civil Aviation Organization in 2016, which the federal government endorsed, would generate less tax revenue than a carbon tax by hundreds of millions of dollars a year. By 2022, tax revenue from the carbon tax would be greater than that from the federal excise tax and provincial aviation fuel taxes combined.

Conclusion:

Canadian air passengers pay some of the highest government taxes, fees and charges in the world. In exchange, they expect to receive value for their investment and support. The reality is, these fees and taxes have continued to increase over the last few years, contributing to the general revenue fund for

the federal government rather than being specifically reinvested back into Canada's airport authorities, airline industry and its related infrastructure as it was in previous years (see Appendix A for Navigation Canada statistics).

An efficient, cost-effective transportation network is a key part of a prosperous nation. Adding a carbon tax, or any additional government-imposed costs on air travel, should be considered in the context of their cumulative and compounding impact on the cost of air travel and its system-wide implications. Canada's reliance on the US transportation network diverts revenue and jobs that could stay within Canada. The lack of affordable domestic air travel in Canada harms the growth of Canadian small business, particularly in the technology and tourism sectors by expanding growth into the US and international markets instead of within Canada. From the federal government's own study, *Unlocking the Potential of Canada's Visitor Economy*, it suggests that by increasing the cost of air travel in Canada would damage Canada's appeal as a visitor destination and, by making it more difficult to develop secondary destinations, would reduce the length of average visitor stays.

It is believed that the taxes generated by additional economic activity, the creation/retention of Canadian jobs in the airline and tourism industries, and the increase in success of Canadian small business would make up for losses in collection of the current federal fee structure.

APPENDIX A ²³⁹

ATSC = Air Travellers Security Charge

CATSA = Canadian Air Transportation Security Authority

Year	ATSC	Total Gov't Funding for CATSA	Difference
2007-2008	\$385,713,000	\$482,634,000	(\$96,921,000)
2008-2009	\$386,461,000	\$476,472,000	(\$90,011,000)
2009-2010	\$374,468,000	\$580,000,000	(\$205,532,000)
2010-2011	\$600,078,000	\$598,400,000	\$1,678,000
2011-2012	\$631,003,000	\$584,400,000	\$46,603,000
2012-2013	\$635,600,000	\$549,940,000	\$85,660,000
2013-2014	\$661,948,000	\$538,892,000	\$123,056,000
2014-2015	\$695,702,000	\$597,971,000	\$97,731,000
2015-2016	\$721,224,000	\$611,911,000	\$109,313,000
2016-2017	767,856,000	\$673,157,000	\$94,699,000
2017-2018	\$822,569,000	\$706,023,000	\$116,546,000

RECOMMENDATIONS

That the federal government:

1. Reduce fees and taxes on air travel in Canada.
2. Re-evaluate the implementation of a carbon tax on domestic air travel and instead, implement the measures contemplated in the International Civil Aviation Organization's carbon offsetting and reduction scheme for international aviation (CORSIA) as it would result in measurable emission reductions.
3. Reallocate federal revenue collected from the air transport sector within Canada's aviation sector, such as through investments in regional airport infrastructure and safety/security equipment at small airports.

²³⁹ <http://www.parl.gc.ca/Content/SEN/Committee/411/trcm/rep/rep05jun12-e.pdf> and <https://www.fraserinstitute.org/article/europe%E2%80%99s-airfares-bargain-compared-canada>

4. Extend the December 15, 2019 Air Passenger Protection Regulations implementation date by at least one year so that a thorough assessment of the impacts of the regulation may be completed and to ensure a more gradual and phased implementation process to ensure successful results.
5. Revise the formula used to calculate federal airport rent to exclude non-aeronautical revenue and revenue airports raise to invest in capital projects (i.e. Airport Improvement Fees).

Submitted By: Greater Westside Board of Trade

Co-sponsored by: Cranbrook Chamber Of Commerce, Peachland Chamber Of Commerce, Penticton Chamber Of Commerce, Kelowna Chamber Of Commerce, Summerland Chamber Of Commerce And Greater Vancouver Board Of Trade

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.

75. Share a Handshake: The Future of Canada-US Border Cooperation

DESCRIPTION

Canada and the United States share a long history of border innovation and excellence. Four major bi-national efforts since the 1995 Shared Border Accord created our current framework for cooperation, culminating in the 2011 Beyond the Border Action Plan. The 2015 Land, Rail, Marine and Air Transport Preclearance Agreement (LRMA) also promises to generate incremental benefits in the coming years. Much work remains, however, to address a range of processing and policy issues to fully co-ordinate efforts between governments and between the private and public sectors.

BACKGROUND

The Beyond Preclearance Coalition was formed in 2018, and includes 41 businesses and organizations from Canada and the US with the shared goal of developing a long-term vision for trade and travel between the countries across all modes. From March to August 2018, the coalition led a series of six consultations, which solicited views from governments and border stakeholders. The consultations revealed a strong desire to create greater predictability in border and security processing and to develop the border as a place that goods and people flow, not as a single line or step. This vision was solidified in the development of the Beyond Preclearance White Paper, which further articulates a vision for border innovation to improve efficiency, effectiveness and security.²⁴⁰

The new vision is based on eight major challenges within travel and trade sectors and the services that enable border and security clearances:

1. Inability to keep up with traffic growth

Traffic volumes will continue to grow, nearly doubling across all modes in the next 20 years, with the aviation sector reaching almost 2.5 times more traffic by 2038. The concern is whether our systems will be able to keep up with growth or be limited by insufficient resources, leading to long queues.

2. Wasted resources from duplication

Significant progress has been made in the last 25 years to remove a large portion of paper-based processes, from multiple data-entry to duplicated application forms. More work remains to simplify programs, many of which are separate, requiring almost the same information and are aimed at similar objectives.

3. Privacy issues must be addressed up front

With the proliferation of information sources tied to personal identity or commercial confidentiality, there is the need to improve the performance of the entire system to better manage privacy. Privacy by Design and its seven principles identify best practices that augment existing public agency requirements to conduct privacy impact assessments and do so early in the process.

4. Ensuring ideas are future-proof

Scalability and systems that cannot be linked together are examples of problems still faced as border process requirements evolve. Standalone systems may be desirable for speed of implementation but there is the need to ensure connectivity with future changes to systems.

²⁴⁰ <https://www.beyondpreclearance.org/the-white-paper> Beyond Preclearance: The White Paper October 5, 2018

5. Resilience to evolving threats

Dynamic and asymmetric threats are problems faced by public and private sector stakeholders. The resilience of the system to accommodate future shocks through risk-based approaches also further reinforces the need to develop as much efficiency in the system today as possible.

6. Lack of sustainable private-public partnerships

From user fees to investments in facilities and requirements, there is a perception of an unsustainable model for funding future changes. The private sector presents strengths in investment, acquisition, technology deployment and research. These may also represent the opportunities to sustain future co-operation.

7. Underuse or overuse of technology

In the past two years, there have been focused efforts towards product-based pilot projects. “The blockchain pilot” or the “biometric pilot” are important because they are emerging technologies with benefits. The use case however needs to balance the process, staffing envelope and risk model to ensure the success for new technology adoption.

8. Global competition

Finally, the challenge collectively is not the debate over whether Canada or the US stands to gain from future improvements. The economies are intricately linked, as are the cycles of innovation in border and security excellence. The competition is how Canada and the United States, as a joint US \$100-trillion economy by 2038, will remain competitive in the world market. Movement of people and goods include land, sea, air and rail.

NEXT STEPS

The White Paper recommended 16 pilot projects applicable to all modes as a first step towards realizing the vision of a predictable, secure and integrated border under five major themes:

1. Adopt a Remote Clearance Approach
2. Screen Once, Accept Multiple Times
3. Manage to a Trusted Secure Token
4. Move Away from Fixed Checkpoints to Clearing Flows
5. Harness Big Data

These near-term pilot projects will allow government and industry to take concrete steps to achieve a predictable, secure and integrated border where legitimate low-risk goods and people can flow efficiently and securely into and across the Canada—US border.

RECOMMENDATIONS

That the federal government:

1. Complete the ‘unfinished business’ of the Beyond the Border II Initiatives:
 - a. US-Canada Facial Recognition Pilot Project
 - b. Single Window eTA/ESTA²⁴¹

²⁴¹ eTA – Canada: electronic Travel Authorization; ESTA – US: Electronic System for Travel Authorization, an automated system that determines the eligibility of visitors to travel to the United States under the Visa Waiver Program (VWP).

- c. Conduct research to support policy making
 - d. Remote screening of goods and co-location of facilities in the US
 - e. Trusted traveler program integration
 - f. Rescreening elimination
2. Support and participate in the Beyond Preclearance Coalition with the goal of enhancing the traveler experience and improving the mobility of people and goods through the Canada—US border, all while ensuring that safety and security is improved.
 3. Ensure all necessary departments and agencies participate and prioritize the working groups identified by the Beyond Preclearance Coalition as a next step towards realizing the vision of a predictable, secure and integrated border between Canada and the US.
 4. Ensure that the Canada Border Services Agency has adequate funding to support increasing border volumes and to implement new processes, technology and infrastructure solutions that are being identified by the Beyond Preclearance Initiative.

Submitted By: Greater Westside Board of Trade

Co-sponsored by: Kelowna Chamber of Commerce; the Greater Vernon Chamber of Commerce, the Peachland Chamber of Commerce, the Summerland Chamber of Commerce, the Penticton & Wine Country Chamber of Commerce and the Greater Vancouver Board of Trade, Canadian Chamber Transportation and Infrastructure Committee

76. Supporting Canada's Flight Schools

DESCRIPTION

Canadian flight training schools are facing numerous challenges that, if addressed, would assist in addressing Canada's pilot shortage that is affecting not only commercial aviation but also the military, as well as remote communities that rely on air transport for food, medicine and other goods.

BACKGROUND

Projections by The Canadian Council for Aviation & Aerospace indicate that the Canadian Aviation industry will face a shortfall of close to 3,000 pilots by the year 2025. Furthermore, these estimates do not reflect the potential impact of new flight duty time regulations which, if implemented as planned, it is reported that this will further exacerbate the current shortage and increase the numbers of new pilots already required by almost 30%. ²⁴²

In April 2019, the House of Commons Standing Committee on Transport, Infrastructure and Communities tabled Report 29 Supporting Canada's Flight Schools ²⁴³ outlining the challenges facing flight training schools in Canada and provided numerous recommendations that would "support and encourage the growth of Canada's flight training industry."

'Witnesses identified a shortage of flight instructors, the underrepresentation of women and Indigenous people among Canadian pilots, and insufficient support for remote and Northern air operators as key issues facing flight schools. The committee recommends incentives to promote flight instruction as a career path, outreach programs targeted to underrepresented groups as well as sector-specific initiatives to support remote and Northern operations.'

'This study also revealed barriers to the use of new technologies in flight training, as well as several regulatory and taxation challenges facing Canada's flight schools. The committee recommends supporting the development of new technologies, as well as regulatory modernization to allow their appropriate use in flight training.'

'Financial considerations are a significant barrier to both potential students and flight schools. The committee recommends increased support to flight schools to assist with high capital costs, as well as increased funding through the Airport Capital Assistance Program. The committee also recommends several changes to existing financial assistance programs to ensure eligibility for flight training programs for employment purposes.'

'Witnesses also raised the issue of retaining international flight students, as well as concerns regarding safety and working conditions for new pilots. The committee recommends a simplified immigration process for foreign pilots, particularly those who have graduated from Canadian flight schools.'

RECOMMENDATIONS

That the Federal Government to:

²⁴² CCAA Labour Market Information Report 2018 <https://www.avaerocouncil.ca/en/lmi>

²⁴³ Report 29: Supporting Canada's Flight Schools <https://www.ourcommons.ca/DocumentViewer/en/42-1/TRAN/report-29/>

1. Increase support to flight schools in remote and Northern communities through targeted outreach programs, economic incentives to assist new and existing schools with capital costs, sector-specific training guidelines for Northern flight operations and local forgiveness programs for new pilots serving with Northern operators;
2. Support the development of new technologies in flight training, such as flight training devises, electric aircraft and alternative biofuel;
3. Modernize current flight training regulations to allow, when appropriate, the use of new technologies in flight training;
4. Increase the level of funding available through the Airport Capital Assistance Program, to reflect the recommendations of the 2015 Canada Transportation Act Review Panel;
5. Introduce 100 per cent bonus depreciation for certain capital assets for flight schools to allow the write-off of equipment purchases such as flight simulators and training aircraft;
6. Establish a clear framework to simplify and encourage immigration by foreign pilots, particularly international graduates of Canadian flight schools;
7. Work in co-operation with provincial, municipal and territorial authorities to:
 - a. Support outreach activities to encourage under-represented groups such as veterans, women and Indigenous people to consider careers in the aviation industry;
 - b. Provide increased support to Canada's flight schools and establish economic incentives to assist with the high capital costs associated with the establishment, operation and expansion of flight schools;
 - c. Amend the terms of the Canada Student Loans Program to include in-air instruction time as instructional time for the purpose of loan eligibility;
 - d. Extend the Student Work Placement program to flight training for employment purposes;
 - e. Extend the Veterans' Affairs Canada Education and Training Benefit to flight training for employment purposes; and
 - f. Establish financial assistance programs or amend existing programs to assist professional students with the high cost of flight instruction through expanded eligibility criteria which recognize the integral role of Private Pilot's Licence training in training commercial pilots.

Submitted By: Thunder Bay Chamber of Commerce

Co-sponsored by: North Bay & District Chamber of Commerce, Greater Sudbury Chamber of Commerce, Timmins Chamber of Commerce, Kelowna Chamber of Commerce

THE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUPPORTS THIS RESOLUTION.
THE HUMAN RESOURCES COMMITTEE SUPPORTS THIS RESOLUTION.