



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on International Trade**

---

CIIT • NUMBER 076 • 1st SESSION • 42nd PARLIAMENT

---

**EVIDENCE**

**Wednesday, September 20, 2017**

—  
**Chair**

**The Honourable Mark Eyking**



## Standing Committee on International Trade

Wednesday, September 20, 2017

•(1535)

[English]

**The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):**  
Good afternoon, everyone.

We're going to have a busy afternoon. We have a lot on our agenda. We have some future business and we have some wonderful guests here today making submissions.

We're continuing with our study on the bilateral and trilateral trade in North America Between Canada, the United States, and Mexico. It looks like we have all the MPs here. We also have the witnesses from Rogers Communications, BCE, and Alberta Barley. Welcome, folks.

For those who are here for the first time, we appreciate it if you can keep presentations to around five minutes or shorter. Don't worry, there'll be lots of room for dialogue later on in the questions and answers portion.

Without further ado, we'll get started and start off with Rogers Communication. Pamela Dinsmore, please go ahead. You have the floor.

**Ms. Pam Dinsmore (Vice-President, Regulatory, Cable, Rogers Communications Inc.):** Thank you.

Good afternoon, members of the committee. My name is Pam Dinsmore and I'm the vice-president of regulatory cable for Rogers Communications.

Thank you for the invitation to outline Rogers' views regarding the ongoing North American Free Trade Agreement renegotiations.

Rogers is one of the largest Canadian telecommunications and media companies. We provide Internet and telecommunication services on both a wireline and wireless basis. We are also creators and distributors of content. We operate two over-the-air local television stations, City and OMNI, a number of speciality channels, including Sportsnet and FX, 55 radio stations, a suite of digital publishing brands, including *Maclean's* and *Chatelaine*, and cable systems in Ontario and Atlantic Canada. We employ over 25,000 Canadians. We have a broad perspective and a profound interest in the outcome of these trade negotiations.

In my remarks today, I will address three key areas: copyright, telecommunications, and the cultural exception. I will start with copyright.

A number of issues emerged out of the United States trade representative's process, with recommendations that Canada be required to make changes to its copyright legislation through the NAFTA renegotiation. We are concerned that the scope of the renegotiations could be broadened to include copyright issues that were not addressed in the existing agreement. These issues include replacing the made-in-Canada "notice and notice" infringement complaints system with a "notice and take down" regime, providing U.S. over-the-air broadcasters with exclusive retransmission rights over their freely available signals, repealing or amending the Copyright Modernization Act's personal use and intermediary exceptions, and/or taking away the protections granted to Internet intermediaries, such as ISPs and search engines.

The 2012 Copyright Modernization Act was carefully developed by Parliament over many years and is designed to serve the interests of all Canadians in its balance between rights holders and users of copyrighted works. We are concerned that a trade renegotiation, where copyright issues are used as bargaining chips, could endanger this delicate balance. In our view, any changes to our domestic copyright laws should be made through the upcoming five-year review of the Copyright Modernization Act, not through the NAFTA renegotiation.

In the area of telecommunications, I would like to comment on two of the USTR's objectives for the telecommunications sector set out on July 17. The first is the objective to promote a competitive supply of telecommunication services by facilitating market entry through transparent regulation and an independent regulator. Canada has an independent regulatory agency, the CRTC, which is transparent in both its rules and its decision-making processes. In fact, its processes and procedures are very similar in nature to those exercised by the Federal Communications Commission in the U.S.

Also, the current Canadian foreign ownership rules already permit market entry by foreign firms into the telecommunications sector. Canada's Telecommunications Act exempts companies with less than 10% of the Canadian telecommunications market from foreign investment restrictions measured by revenue. The U.S. and other foreign companies can enter Canada today, either as a start-up or through acquisition. As an example, the Zayo Group acquired Allstream in early 2016. If the rules were changed to permit U.S. companies to acquire Bell, Telus, or Rogers, this would not promote a more competitive supply of telecommunication services, but instead would simply replace one large provider with another.

The second objective I will comment on is the desire of the USTR to secure commitments to provide reasonable network access for telecommunication suppliers through interconnection and access to physical facilities and scarce resources. This regime is already in place. The CRTC has implemented well-established rules of regulated access, including mandated tariffs for telecommunication suppliers to interconnection services, as well as access to essential physical facilities. This regime is used today by literally hundreds of foreign and domestic telecom service providers operating in Canada. Zayo is an example of a U.S. company that uses these rules and has participated in their formulation by the CRTC.

Lastly, I would like to voice Rogers' support for the emphasis the minister for Global Affairs Canada is placing on the maintenance of the cultural exception in NAFTA. Some parties in the USTR process called for the liberalization of foreign ownership rules as they pertain to broadcasting, as well as modifications to section 19.1 of the Income Tax Act.

Others went further and asked that the cultural exception be modified to improve market access for U.S. goods or be eliminated altogether. In our view, section 19.1 of the Income Tax Act, as well as the foreign ownership rules that flow from the direction to the CRTC regarding ineligibility of non-Canadians, are important components of the cultural exception. The foreign ownership rules exist in part to ensure that, as section 3 of the Broadcasting Act stipulates, "the Canadian broadcasting system shall be effectively owned and controlled by Canadians". This enables the various players who contribute to the health and success of the system to fulfill cultural policy goals for the benefit of all Canadians.

With respect to section 19.1 of the Income Tax Act, we believe it should be strengthened to also apply to foreign digital players, not eliminated.

**The Chair:** Excuse me. Are you almost wrapping up?

**Ms. Pam Dinsmore:** Yes.

It provides important leverage for Canadian content creators when competing with the U.S. multinationals for digital advertising dollars.

Thank you for your time. I am happy to take your questions.

**The Chair:** Thank you.

We're going to move over to BCE Inc., and we have the senior vice-president of regulatory affairs, Mr. Malcolmson.

You have the floor. Go ahead, sir.

• (1540)

**Mr. Rob Malcolmson (Senior Vice-President, Regulatory Affairs, BCE Inc.):** Good afternoon, Mr. Chairman and honourable members of the committee. My name is Robert Malcolmson. I'm senior vice-president, regulatory affairs, at BCE. Thank you for your invitation to provide Bell's views on NAFTA.

Bell is Canada's largest communications company, employing over 50,000 Canadians and investing over \$4 billion annually in advanced networks and media content alone. These investments allow us to provide services that form the backbone of Canada's digital and innovation economy, including the country's fastest high-

speed Internet and wireless networks that are among the fastest in the world.

Our world-class telecommunications system has been built through facilities-based competition among domestic players overseen by an independent regulator, the CRTC. We urge you to keep in mind that, in renegotiating NAFTA, we should not jeopardize what's been achieved by agreeing to trade outcomes that reduce the discretion of the independent regulator or grant subsidized access to our networks to foreign players.

Instead, the focus should continue to be on facilities-based competition. Bell is equally a key supporter of Canada's cultural and democratic system, investing more than any other broadcaster in Canadian content, and operating the largest networks of both local TV and local radio stations across the country, ensuring there are reporters with boots on the ground everywhere.

Again, as you navigate the waters of a new NAFTA, it is essential that our cultural sovereignty be preserved and supported.

There is no doubt that our system is in a time of transition. As content from all over the world becomes available, audiences fragment and activity moves online. We are responding. At Bell Media, we've launched CraveTV, a made-in-Canada, over-the-top service that delivers premium TV content to anyone in Canada for just \$7.99 a month. Meanwhile, Bell TV has launched Fibe Alt TV, an application-based TV service that delivers all the content consumers have come to expect from a traditional cable service without the need for a traditional receiver.

We're also investing in a new era of Canadian content with award-winning Canadian programs like *Letterkenny*, which was produced exclusively for CraveTV and is its most watched show, and *Cardinal*, which is one of the top new programs in Canada, averaging more than a million viewers each week, and is now broadcast in markets around the world.

As the Canadian broadcasting system reorients itself toward online and global markets, we urge the government not to lose sight of this framework, reflected both in the original free trade agreement and subsequently in NAFTA, that has led to our success so far.

We have three specific proposals on how to make NAFTA work better for Canadian culture in the digital economy.

The first is tax and regulatory fairness for online services and digital advertising platforms. Canadian-owned services like Crave collect and remit HST on behalf of the government, but foreign video providers like Netflix and foreign digital advertising platforms like Google and Facebook, despite competing in Canada and earning millions of dollars in revenue from Canadians every month, pay no sales tax at all. This is obviously not tax fairness. Canada must maintain the ability to address this inequity with new modernized tax laws. In negotiating NAFTA, the government should ensure its ability to apply the same regulatory rules to all online services.

The second is copyright enforcement. U.S. interests have long complained that widespread online copyright infringement here in Canada is limiting the growth of the digital economy. In fact, many of the most prominent global players in the piracy ecosystem operate out of Canada as a relative safe harbour. Canadians made 1.88 billion visits to piracy sites last year. We recommend that the government commit to stronger intellectual property enforcement by having an administrative agency dedicated to such enforcement and by prioritizing enforcement against digital pirates.

Canada should also create a criminal provision for any infringement of copyright, including facilitating and enabling piracy where it's undertaken for a commercial purpose.

Finally, Mr. Chairman, there's local television. There is no doubt that local TV continues to face a crisis in Canada. Private local TV stations produce more than 900 hours of local programming every week and remain among the most popular TV stations in the country. Yet despite the success in serving Canadians, private local TV stations have lost more than \$500 million in the last two years. Despite their valuable content, local TV stations cannot charge subscription fees because of section 31 of the Copyright Act. In renegotiating NAFTA, Canada should preserve its ability to address the crisis in local TV either by removing section 31 of the Copyright Act or making a second revenue stream available to local Canadian stations.

Finally, it's also essential that Canada commit to preserving simultaneous substitution. Simultaneous substitution enables U.S. copyright holders to receive value for their copyright and it protects the integrity of the exclusive program rights that Canadian broadcasters purchase. Simultaneous substitution and other domestic measures should continue to be protected under NAFTA's existing cultural industries exemption.

• (1545)

Thank you for the opportunity to provide our views. We're happy to answer your questions.

**The Chair:** Thank you, sir.

We're going to move over to Jason Lenz, the chairman of Alberta Barley. Welcome, you have the floor.

**Mr. Jason Lenz (Chairman, Alberta Barley):** Thank you, Mr. Chair, and members of the committee.

Good afternoon, and thank you for the invitation to appear today. I am here on behalf of Alberta Barley's 11,000-plus members to offer our support for the modernization of the NAFTA and to provide our views on what we believe the negotiations need to achieve.

Barley is an excellent example of how integrated the North American agricultural market is. Together, the U.S. and Mexico accounted for 21% of Alberta's barley exports in 2016. Every year Alberta exports more than 190 million dollars' worth of barley and value-added products to the U.S. Most of that is for malt and for meat, both of which are value-added barley products.

Western Canada produces the highest-quality malting barley in the world. Thanks in part to NAFTA, Alberta farmers grow malting barley and have it trucked to malt houses on the Prairies where it's processed and then shipped into the U.S. There it is used by large-scale and craft brewers alike to produce a beer that satisfies the U.S. consumer's thirst for quality craft and adjunct beer.

Apart from the malting sales, Alberta farmers sell the majority of their barley as feed to livestock producers. The beef industry is a core customer for Alberta barley, and we need Canadian beef ranchers and processors to have that seamless border with the critical U.S. market in order for the demand for our feed barley to stay strong.

Like the vast majority of Canadian farmers, Alberta barley growers rely on open markets for a positive bottom line. In comparison with other barley-growing regions in the world, Alberta's barley growers have benefited significantly from the NAFTA through tariff-free trading. Canada's volume share of barley imports into the U.S. is over 90%. Our priority for the renegotiation is to make sure that this competitive advantage is not eroded in any way.

We encourage negotiators to keep most of the agreement intact, including the existing duty-free access, the treatment of non-tariff barriers in chapter 9, and the text on rules of origin. We also see great potential to make improvements related to the non-tariff barriers. Alberta Barley recommends that a modernized NAFTA contain the following items, which I will expand on momentarily. Our list includes an improved chapter on sanitary and phytosanitary, or SPS, rules; measures to more closely harmonize pesticide regulations and to remove maximum residue limits related to trade barriers; an agreement on the treatment of new plant-breeding techniques; and a mechanism for co-operation on plant biotechnology in the low-level presence policy.

While NAFTA's SPS chapter provides a good foundation, a renegotiated NAFTA should include stronger SPS measures in line with other recently negotiated free trade agreements, or FTAs. The trans-Pacific partnership SPS chapter serves as a very useful example and should be a starting point for the negotiations.

On MRLs, or maximum residue limits, the NAFTA renegotiation presents a unique opportunity for Canada, Mexico, and the U.S. to come together to completely remove trade barriers related to pesticides and crop inputs. Including text on a harmonized or trade-facilitating approach to pesticide regulations will reduce barriers at the border and be a useful model to carry forward in other negotiations.

A framework to manage the new plant-breeding techniques emerging across North America would also be of tremendous value. We would ask that negotiators put forward text within the agreement to facilitate the approval and trade of new plant-breeding techniques among NAFTA partners.

Finally, Canada, the U.S., and Mexico have a long-standing collaboration for removing biotech-related barriers to trade. The fact that no new biotech trait in plant products has ever been approved by one NAFTA partner regulator and then rejected by another underscores the need to formally recognize one another's approvals. At the very least, a common, low-level presence policy should be a fallback objective for negotiators in a modernized NAFTA.

Growers are in the middle of harvest right now, and our collective thoughts are focused on realizing a successful year for our businesses and families. I hope my presence here demonstrates how critical we barley farmers believe the NAFTA talks are to our livelihood. We ask that this committee seek to enhance our market access and trade-related regulatory collaboration with the U.S. and Mexico through its recommendations on these negotiations.

Thank you, and I look forward to answering any questions you may have.

• (1550)

**The Chair:** Thank you, sir.

Before we go to dialogue with the MPs, I have a couple of quick questions for you. You mentioned that you're into harvest. How are the volumes and how is the harvest going and how are the prices? Those are the three questions I guess you ask as a farmer.

**Mr. Jason Lenz:** That's a three-part question, but the most important is certainly weather-wise. Harvest in Alberta is under way. It's very dry in southern Alberta, so their harvest is just about wrapped up. As you move north, harvest is probably—I'm going to guess—50%. Most of the wheats and barley are off, and canola has yet to come. It's raining there today. One thing that's out of our control is the weather, and it's always the biggest factor.

Prices have been pretty decent over the last year.

**The Chair:** So everything is looking good. Great.

We're going to start with the MPs, with the Conservatives, and we have Mr. Carrie.

You have the floor for five minutes, go ahead.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much, Mr. Chair.

I'm going to try not to talk very much, because in five minutes I have so many questions for you guys.

First, would you say there's a need for dedicated enforcement with respect to digital piracy? What would be the best course of action?

Second, there are all these new technologies. When NAFTA was originally negotiated, who would have foreseen things like Netflix and things along those lines? How do you proactively address these new technological innovations through NAFTA, and how do you address those who wish to circumvent paying for content?

We'll start with Mr. Malcolmson on that one.

**Mr. Rob Malcolmson:** Dealing with the second part of your question first, on how we improve attempts to circumvent digital locks, I think that can be a bit of a rabbit hole in the sense that as soon as you come up with one technological improvement, another way to circumvent arises.

From our perspective—and we've looked at the issue of piracy quite seriously because it's affecting our business—It's affecting our cable distribution business much in the same way as it is Ms. Dinsmore's because people are leaving the regulated system, not just because they want to watch Netflix but because they want to watch free content. Unfortunately in the world we live in piracy has become ubiquitous.

Set-top boxes are being sold in any electronics store on virtually every corner in a city where you can buy something called a Kodi box that comes preloaded with content we and Rogers own the copyright in. You can buy that for \$50 and you can watch live TV for free.

Our view on how we solve the piracy problem is not coming up with new technological measures. It's blocking access to piracy. How do you do that? We would like to see measures put in place whereby all Internet service providers are required to block consumer access to pirated websites. In our view, that's the only way to stop it. You would mandate all ISPs across the country to essentially block access to a blacklist of egregious piracy sites. That would be job number one.

**Mr. Colin Carrie:** Ms. Dinsmore, do you concur?

**Ms. Pam Dinsmore:** We're looking at a variety of options to deal with this streaming phenomenon that Rob is addressing, which has arisen very quickly since our own Copyright Act came into place. I think where we might differ is that we consider any option that we might look at here in Canada as something we should give careful consideration to under the auspices of the Copyright Modernization Act review, which is going to kick off in two months.

Rather than look into NAFTA to have this imposed on us by a trade agreement, where this could be a bargaining chip that we agree to in exchange for something else, we think it has to be done holistically, given the careful balance that was arrived at in our Copyright Act between users and rights holders. Rather than dealing with it as a one-off in this exchange where this negotiation is moving very quickly, and even the negotiators will tell you they don't have a lot of time to think between rounds, there will be lots of time to consider these sorts of options in our own domestic forum. We think that's where this discussion belongs.

**Mr. Colin Carrie:** You're saying you don't think NAFTA is the place to be looking at this?

•(1555)

**Ms. Pam Dinsmore:** We don't think the proper place is in NAFTA but in our own domestic review.

**Mr. Colin Carrie:** All right.

I hear this all the time, how Canadians pay the highest prices in the world. I think it's said Canada has the highest basic cellphone service. The average Canadian pays \$96 in comparison to \$42 in the U.K. We know the Americans want to open up this market. Wouldn't that encourage competition and lower prices for consumers?

**Ms. Pam Dinsmore:** I can take this one.

That's not necessarily so. As you know, right now we have the 10% cap on foreign telecom providers coming into Canada. Today, Verizon could come in, as could any start-up. What they can't do is buy Rogers, Bell, or Telus, because they can't buy an existing player that has greater than 10% of the overall revenue, which all three companies do.

Verizon could come in today, if they wished to, with less than 10% market share and they could build up their business here. They could offer that type of plan, but what they can't do is take over an existing player.

The idea that an existing player would come into Canada and necessarily provide the same type of pricing that they do in the U.S. is probably flawed for a number of reasons. The first is that we have very different geography than the United States. It's very densely populated down there, whereas we have a very large country to cover with our networks, which allows them potentially to provide lower prices than we do up here. Secondly, we have very high-quality networks, so if any of these providers come up here, they're going to have to maintain those networks and maintain the quality that Canadians have come to expect.

We do offer low-cost options. Rogers has a \$10 talk and text plan and a \$25 talk, text, and data plan, so we already are providing options at the lower end of the spectrum that are affordable for Canadians.

On the face of it, it looks very attractive. However, first, these players haven't come, and they can. Second, if they did, we don't think they'd offer the same low-cost offers that they offer in the U.S.

**The Chair:** Thank you. We're kind of over time, but that's fine. It was good dialogue.

We're going to move over to Mr. Dhaliwal.

You have the floor, sir, for five minutes.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Thank you, Mr. Chair, and welcome to the presenters.

Mr. Malcolmson, you mentioned cultural sovereignty and the democratic system, and you also mentioned that local TV faces a crisis in Canada. I'm certain that at least colleagues on this side, and some on the other side, will agree that local TV and local radio is critical to preserving cultural sovereignty, as well as the democratic system.

Could you explain what can be done to support and enhance local TV so they're able to not only survive, but in fact thrive and employ more Canadians?

**Mr. Rob Malcolmson:** The reason we brought it up in the context of NAFTA is that this is actually an issue where Canadian interests and U.S. interests can be somewhat aligned. By that I mean, you've seen the submissions from some of the U.S. broadcast groups, such as the National Association of Broadcasters, who represent U.S. over-the-air border stations that spill into Canada. They've long complained that they're carried by cable distribution systems in Canada for free, so they're not paid for their signal in Canada.

Similarly, we operate over-the-air stations in Canada, and cable companies can pick them up and distribute them and we're not paid for that content. That's completely unlike other channels. If you take, for example, TSN or Sportsnet, those channels have two sources of revenue. They have advertising revenue and they have subscription revenue. Every cable subscriber in Canada pays a fee to their cable provider, and a portion of that goes back to TSN or to Sportsnet. It's not true for over-the-air television stations, all of which are carried on cable.

The reason that oddity exists is section 31 of our Copyright Act, which gives cable systems the right to retransmit over-the-air signals for free. We could solve the U.S. problem and the Canadian problem if we eliminated section 31 of the Copyright Act and simply allowed over-the-air stations to negotiate with cable companies the fair value of their signal.

That regime exists in the U.S. It's called a "retransmission consent regime". NBC Buffalo negotiates with the local Buffalo cable company and they come to an agreement. If they don't come to an agreement, the signal isn't carried. We would like that opportunity for our stations in Canada. That will give us access to the same revenue stream that our competitor channels have and it would give us fair remuneration for what's a very valuable product to Canadians and allow us to continue to fund local news and employ Canadians in local markets.

•(1600)

**Mr. Sukh Dhaliwal:** Ms. Dinsmore, do you have anything further to add?

**Ms. Pam Dinsmore:** Yes. We've set out in our opening remarks that we are very concerned about a retransmission consent regime. Certainly, it is what the NAB asked for in this process and it would mean a major outflow, in that context, of monies down south of the border. We've been carrying the ABC, CBS, Fox, and NBC for 70 years under the current regime. It's not a regime that has been extended to Canadian broadcasters. We do have a retransmission regime, but that compensates the underlying program suppliers when their signals are carried out of market. That was the underpinning of our having a copyright board. We think there are other ways to go at this. We think that some of the suggestions we provided to Madame Joly in her consultation, which may be reflected next week when we hear from her, would be a better way to address this and wouldn't result necessarily in these costs being passed on to consumers, which is what you're going to have in any retransmission consent regime. It's simply going to increase the cost of cable.

Some of the other suggestions are looking at the proceeds of the 600 MHz auction, to allocate some of those proceeds to local television. Equally, as we've talked about, expanding section 19.1 of the Income Tax Act to digital advertising is another way we could repatriate dollars that could be then put into the system.

There are other more creative ways, we think, that would not have the same customer impacts as what was outlined by Mr. Malcolmson.

**Mr. Sukh Dhaliwal:** When it comes to online radio providers, how can we cause more Canadian content to be in those media?

**Ms. Pam Dinsmore:** As you probably know, the commission has a digital media exemption order, which exempts the likes of Netflix from regulation. It doesn't have the same obligations that our own Canadian broadcasters have. There would have to be some sort of requirement put into that exemption order on Canadian content. It does distribute some Canadian content. We know it has deals with Canadian producers, and that's good, but it doesn't have any formal requirements at this point. It doesn't have to have any to be subject to the exemption order.

**The Chair:** That wraps it up, Mr. Dhaliwal.

We're going to move to the NDP now. Madam Ramsey, you have five minutes. Go ahead.

**Ms. Tracey Ramsey (Essex, NDP):** Hello, everyone. I apologize for being late. I had to present something in the House. I do appreciate your testimony.

Mr. Lenz, I certainly appreciate your being here during harvest season. I represent a rural riding. I know how critical this time of year is.

The report that you mentioned, are you able to submit that to the committee, please? It's quite detailed around the things you mentioned, and they are things we have heard before at this committee around the non-tariff barriers, so if you could please submit that, it would be appreciated.

**Mr. Jason Lenz:** Sure.

**Ms. Tracey Ramsey:** My question to Mr. Malcolmson and Ms. Dinsmore is really about NAFTA and about telecommunications and the cultural exemption we have here.

How important is it for Canadian negotiators to maintain a clear cultural exemption in a renegotiated NAFTA?

**Mr. Rob Malcolmson:** Why don't I start, and Pam will no doubt add?

From our perspective, it's extremely important. The cultural exemption has served our broadcasting system very well. We have a Canadian broadcasting ecosystem that some in other countries would marvel at in terms of its ability to create and disseminate truly homegrown Canadian content, when we live next door to the largest entertainment production capital of the world. It's that cultural exemption that's allowed us to achieve that. It's allowed us to achieve that through things like simultaneous substitution, which I mentioned in my presentation. That allows over-the-air stations to monetize their content by substituting Canadian ads over U.S. ads. It's achieved that through the restrictions on foreign ownership, so that we have a Canadian-owned and controlled ecosystem. It's really that cultural exemption that's the umbrella that covers our complete ability to have that owned and controlled, made-in-Canada ecosystem.

**Ms. Pam Dinsmore:** I think if we didn't have the cultural exemption, it would be very hard for our, sort of, indigenous Canadian broadcasters to survive. It would be very hard to maintain our Canadian rights market. The whole underpinning of what we know as our broadcasting system would probably fall apart, so it's extremely important.

● (1605)

**Ms. Tracey Ramsey:** Okay. Thank you.

I also represent a border riding, so I know about international roaming rates and things that happen when you even get too close to the border, because we have the Detroit River that's quite narrow between Detroit and Windsor down there. I really want to ask you about that cross-border transfer of digital information.

What concerns did you have with the USTR recommendations to lift the restrictions on measures that regulate cross-border data flows and do not require the use of installation of local computing facilities?

**Ms. Pam Dinsmore:** Is that in reference to roaming and roaming charges?

**Ms. Tracey Ramsey:** Yes.

**Ms. Pam Dinsmore:** We have well-established agreements for roaming with many partners in Mexico and the United States. These are commercially arrived at. We believe that previously there were a lot of customer irritants about roaming, but in the last couple of years, certainly, our company has introduced a product called "Roam Like Home", which is really a seamless approach to roaming. Basically, as you enter the States you pay a daily charge, but you're otherwise on your existing roaming plan in Canada, and for example, in the U.S. it's \$6.00 a day, but after the 10th day, the rest of the month is sort of free.

I know that in the EU there are no roaming charges between countries there. But in our view, the kind of solution we've come up with here in Canada and the kind of solution that we offer to our customers is more than acceptable.



**Ms. Tracey Ramsey:** Mr. Malcolmson, in your presentation you mentioned piracy, and my colleague asked you about that as well. I hear what you're saying about this potential blocking of piracy sites, and I'm wondering if you could elaborate on who you think would determine which sites to include. Of course, we're under tremendous pressure from the U.S. to completely allow more of an open system.

I know one of you referenced the “notice and notice” versus the “notice and take down”. I missed that portion, and I apologize. Is it that you are advocating to keep the notice and notice system that we have in Canada? We heard about that earlier this week. Do you have any thoughts from that which you could share with us?

**Mr. Rob Malcolmson:** We think that notice and notice works, but like any solution it's not necessarily perfect. We will continue to support it, but our view is that if we are really going to tackle piracy, as I said, the most efficient and effective solution is to require ISPs to block egregious piracy websites. You asked who would make the determination. In our view an independent agency would be charged with that task. You certainly wouldn't want the ISPs acting as censors as to what content is pirated content. But, surely, an independent third-party agency could be formed and could create a blacklist of pirate sites, and then the ISPs would be required to block them. That's, at a high level, how we would see it unfolding, perhaps overseen by a regulator like the CRTC.

**Ms. Tracey Ramsey:** Ms. Dinsmore.

**Ms. Pam Dinsmore:** Just to weigh in on the notice and notice, I can tell you that since that regime has been formalized in the Copyright Modernization Act, the amount of usage has increased. For example, back in 2015 we handled over 1.5 million notices in the course of a year. In 2016, we handled over 2.5 million notices, about 200,000 notices a month. The fact is the notice and notice regime is being used and incrementally so year over year, I think it is....

Certainly, we're always open to talking about measures that might improve the system and we'll have that opportunity come November when we kick off the review of the act. Certainly there are a lot of participants in the system as we speak.

**The Chair:** Thank you.

We're well over time, but it was good stuff. We're going to move over to the Liberals again.

Mr. Peterson, you have the floor.

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Thank you, everyone, for being here. I will ask Mr. Lenz a quick question.

I think you alluded to 21% of your sales going to Mexico and the U.S. Is that combined?

**Mr. Jason Lenz:** Yes.

**Mr. Kyle Peterson:** That's good. That's a large chunk.

You mentioned the SPS rules and how you thought the TPP was a good model. Are there improvements you would like to see in that provision in the TPP if we go for it or in NAFTA? Is it pretty good the way it is or are there things we can tweak even in that model?

• (1610)

**Mr. Jason Lenz:** No. We view what has already been negotiated in that TPP as a very good starting point for the modernization of the NAFTA rules around SPS. In our view that's probably, as I said, a very good starting point and it works for our industry right now.

**Mr. Kyle Peterson:** Okay. That's good. Thank you for that.

I want to quickly talk to the telecoms here a little about culture. Some of my colleagues have touched on it already. Clearly, we're living in a different age now than we were when NAFTA was first drafted, and I think there's been a dramatic impact on our cultural industries and Canadian content.

What steps do you think we could take to ensure that Canada's cultural industries—television, movies, music, however you want to describe it—will be able to thrive in whatever new agreement comes. I mean not only survive but actually thrive. Of course, there's also a global market now for Canadian productions and I'm wondering how we could perhaps use NAFTA to tap into that if we can.

What recommendations do you have generally that might be able to achieve those goals?

**Mr. Rob Malcolmson:** I'll tackle one specific issue first that you should think about.

As the dissemination of content moves online—as you say, we're moving out of the traditional ecosystem—we've launched an online product called CraveTV, which is our answer to Netflix. It's been very successful in its own right, although not on the scale of Netflix. Netflix has five million subscribers in Canada. It charges \$10.99 a month and doesn't charge or remit HST. Crave, on the other hand, just using Ontario as an example, operates at a 13% cost disadvantage in terms of its pricing. You asked how we can facilitate the strengthening of domestic content disseminators here and now in an efficient manner. One way to do that would be to require the Netflixes of the world, the Googles and Facebooks of the world, to charge and remit tax on the same basis that Canadian entities do. That's one.

Then, again, you asked about the opportunities for export. As Canada's largest broadcaster, we're very enthusiastic about those, but the domestic ecosystem needs to be fixed first. I referred to local TV. Local TV needs help, and there are ways to help it. As I said, allowing it to charge a subscription fee would be one way, and at the same time—in the context of NAFTA—that might be of appeal to your American partners. Their border stations could charge as well.

Those are two quick, efficient fixes. Pam may have other views.

**Ms. Pam Dinsmore:** More generally, we have to work very hard to keep our carve-out. That's crucial, and that's really what everyone's asking for. The fact that there's the ability to retaliate on the U.S. side if we introduce new measures is probably something we'd like to do away with, so it wasn't subject to that. Even at a bare minimum, just the mere fact of being able to keep this reservation, or rather this carve-out exception in these discussions is, I think, the most important thing.

**Mr. Kyle Peterson:** It's fair to say Canadians don't tell their story too well, so we need to make sure that whatever comes to this is protected.

There's obviously capital investment that needs to be made when it comes to digital as well, ensuring that facilities-based investment is available in the context of NAFTA, and huge capital investments that both of your companies need to make to ensure that the networks are viable. Do you see NAFTA as being able to improve that relationship—that regime—at all?

**Mr. Rob Malcolmson:** I guess we worry about NAFTA resulting in subsidized access by non-Canadian entities to the networks that Bell and Rogers and Telus have built in Canada. Our preoccupation is ensuring there isn't an unintended consequence here as a result of the renegotiation of NAFTA that results in Verizon, for example, being able to come to Canada and ride on the Bell or the Rogers network. In our mind that would make no sense. We've built strong networks. We've invested in them. They employ thousands of Canadians. I know our preoccupation is making sure NAFTA doesn't detract from a very successful domestic facilities-based model.

• (1615)

**Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** I have a question.

**Mr. Kyle Peterson:** I was going to ask about how my Maple Leafs are doing this year, but....

[Translation]

**Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** It's important, as I am the only francophone here.

[English]

**The Chair:** It looks like we're almost wrapped up, but Madam Lapointe, you have a question and then I'll go to Mr. Dreeshen for a quick question.

[Translation]

**Ms. Linda Lapointe:** Thank you very much, Mr. Chair.

This is important, as I am probably the only one who will talk to you about cultural exemption from a francophone perspective.

The Minister of Canadian Heritage, Ms. Joly, explained to us that cable companies like yours pay toward the creation of Canadian content. Earlier, you said that you wanted companies like Netflix to pay taxes. I want to be sure that I understand correctly. Were you talking about sales tax? That would not replace your investments in the fund, correct? The idea is to exempt culture and have Canadian content. The tax would not fund the creation of Canadian content.

[English]

**Mr. Rob Malcolmson:** The sales tax will not directly contribute to Canadian content. However, the sales tax will enable a service like CraveTV—which is a disseminator of Canadian content and is owned and operated by a Canadian company—a service like that, which plays an important role in the content ecosystem, to compete on a fairer playing field with Netflix, which operates at a—

[Translation]

**Ms. Linda Lapointe:** However, that would not resolve the issue of Canadian content, for which cable companies contribute to a fund. We are not talking about that.

As everyone knows, people, especially young people, have been turning away from cable television in favour of the Internet for a long time. I think that is even more obvious now. Young people do

not subscribe to cable television, and we have known that for a long time. Earlier, you talked about distance, density and space. I think that the American Midwest must be fairly similar to Canada, and yet I think that people in the Midwest have access to better offers in terms of telephone service costs. How do you explain that?

[English]

**Ms. Pam Dinsmore:** All I can say is that I don't have the intimate knowledge of what the rates are that are being offered by wireless providers in the Midwest in the United States. I do have knowledge about what we provide, and I can assure you that our plans are very affordable at the low end of the spectrum. That's the best I can offer on that one.

[Translation]

**Ms. Linda Lapointe:** Mr. Chair, do I have any time left? I could continue talking about this for a long time.

[English]

**The Chair:** No. We're going to go over to Mr. Dreeshen. We're going to give him a couple of minutes, and then we have to wrap up.

[Translation]

**Ms. Linda Lapointe:** Cultural extension is very important.

• (1620)

[English]

**The Chair:** Go ahead, Mr. Dreeshen, you have a couple of minutes.

**Mr. Earl Dreeshen (Red Deer—Mountain View, CPC):** Thank you very much, Mr. Chair.

I appreciate this opportunity to speak to a fellow barley grower and a neighbour from my part of Alberta.

Basically, Jason, some of the things you talked about—non-tariff barriers, maximum residue levels, issues like that—kind of get thrown into the mix. Not a lot of people understand unless they're in the business, so that's part of it with regard to non-tariff barriers.

Other advantages and opportunities that we have are plant-breeding techniques and trying to be able to work those into a North American context. Of course, in order to do that, you have to have a certain scale so it can take place. Then there are the biotech barriers as well. We have chemicals that we should be able to purchase coming across from the U.S., but of course, we have all these regulatory barriers that exist. I think trying to get into that sort of harmonization is a critical part.

I know when you responded to Ms. Ramsey earlier, you said you would bring a report in. However, I think it's important that people who perhaps aren't necessarily in the business have a little bit of an idea of what some of the concerns are, because, as you said, looking at the beef industry, it eats the barley that we grow. They may wonder why we only sell 21%, but it goes in the form of protein in a different way.

Could you expand on some of that in the bit of time the chair has allowed me?

**Mr. Jason Lenz:** Certainly, we're talking about the harmonization of being able to move some of our crop inputs and biotech from one country into the other. That harmonization between our own PMRA and our sister organizations in the United States and Mexico is very important to us as producers because a lot of times those are tools we can use on our farms to become more sustainable in what we're doing.

On the biotech side, we have a very capable breeding system here in Canada. We want to make sure we encourage some private investment, maybe coming from down in the United States or Mexico. This will not only allow us to have access to those improved breeding techniques, but it will increase our yields. It will allow us to have better disease management in our crops, which would also mean we could use less crop inputs—pesticides and that sort of thing.

That harmonization between our PMRA and those organizations through NAFTA would be very critical, very vital, to us.

**The Chair:** Thank you.

That wraps up our first panel.

Thank you, folks, for coming. It was a good discussion.

We have witnesses ready to come on board, so we're going to suspend for one minute, and then we're going to go right back at it.

•(1620)

(Pause)

•(1620)

**The Chair:** We're going into our second round now. We have three groups of witnesses.

For those who have just joined us, we are continuing our study on future trade between Canada and Mexico and the United States.

We have, via video conference all the way from Montreal, Quebec, the Council of Canadians, with Ms. Dey. As well, we have with us the Canadian Federation of Independent Business, with Corinne Pohlmann, and Scott Vaughan, from the International Institute for Sustainable Development.

We'll go right to the video conference first in case we have glitches. It's better to do that first, I find.

As the presenters here know, we try to keep it to five minutes or under, if you can. If you see my red light on that means the time is up. Then we'll have dialogue. If there's something that you didn't get in or you want to add, you can always add it when we get into the Qs and As later on. Without further ado, we'll go to the Council of Canadians.

Ms. Dey, you have the floor.

•(1625)

[*Translation*]

**Ms. Sujata Dey (Trade Campaigner, National, Council of Canadians):** Good afternoon.

My name is Sujata Dey, and I am in charge of the international trade campaign at the Council of Canadians.

I will make my presentation in English, but I could answer your questions in French.

[*English*]

Today we are coming full circle. The Council of Canadians was founded to fight the Canada-United States Free Trade Agreement, which later became NAFTA. While there is much that has changed over the 30 years, many of our basic concerns about NAFTA have not.

While some say that NAFTA is a win-win for the three countries, in reality it's been more of a win-win for the corporations of the three countries. During NAFTA, inequality in the U.S. and Canada has risen. Mexico, which started in NAFTA with a 58% poverty rate, still has a 58% poverty rate. Environmental policies have been threatened by chapter 11 lawsuits and by energy proportionality clauses. It is impossible for the government to talk about progressive trade, we feel, when there are no plans to remove these clauses.

Today, there are many pundits who will say that NAFTA is now too big to fail—where have we heard that before?—and that we must live in fear and dread about NAFTA's possible demise. Unfortunately, this logic puts Canada at a severe negotiating disadvantage. It locks us into accepting any demand at the negotiation table.

Instead, NAFTA negotiation must set the course for a very different type of deal. If Canada does not achieve an ambitious deal that protects Canadians and the environment, we must simply walk away.

This is not just me saying that; it's the C.D. Howe Institute. There are many people who have been saying the same thing. We are not the only ones. An overwhelming majority of the people we polled agree. We commissioned a poll with EKOS Research, which we just launched today, and 76% agreed with this statement, "In the event that NAFTA negotiations result in a bad deal for Canadians and the environment, Canada should walk away from the deal." This statement was supported regardless of political affiliation by 69% of Conservatives, 77% of Liberals, 80% of the Bloc Québécois, 81% of the NDP, and 90% of Greens.

In addition, we surveyed people on what they think of different prescriptions in NAFTA.

Eighty per cent said that clauses in NAFTA that make water vulnerable to export and privatization should be removed. Remember that NAFTA's annex lists water as a tradable good. If any province allowed water exports, we'd be obligated to export water. Furthermore, with a proportionality clause, we would be forced to meet water export quotas. Our honorary chairperson, Maude Barlow, former senior UN adviser on water, has devoted many decades of her life to this issue.

In our poll, 70% said that we must remove energy proportionality provisions that lock Canada into maintaining energy export quotas to the United States. These energy quotas make it hard for Canada to transition away from fossil fuels and the tar sands. It makes it harder for us to meet our Paris climate change commitments.

Lastly, we asked people what they thought about chapter 11, the clause that allows corporations to sue states over policy changes. They were clear that they did not want tweaks to chapter 11. They did not want the CETA investor court system. They wanted it eliminated. Sixty-three per cent said that chapter 11 provisions that allow corporations to sue states should be eliminated from the deal. Therefore, we think that the U.S. trade representative's proposal for an ISDS opt-in option looks promising, since they can effectively disarm chapter 11. It is one that Canada should welcome.

The results of our online poll are available on our website. As you will see, it's very consistent in terms of region, age group, and political leaning.

We should not live in the fear of a Trump tear-up, nor should we put up meek and unbinding projects that do not substantially change the deal. People are asking the government to make major changes in NAFTA, and they need to be heard.

You can find out more about our campaign fact sheets and videos on our website at [canadians.org/nafta](http://canadians.org/nafta).

Thank you.

• (1630)

**The Chair:** Thank you, and thank you for being on time. We're going to move on now to the Canadian Federation of Independent Business.

I'm honoured to have been part of your membership for 30-some years. It's a good organization, and you guys do your homework.

Go ahead, Ms. Pohlmann. You have the floor.

**Ms. Corinne Pohlmann (Senior Vice-President, National Affairs and Partnerships, Canadian Federation of Independent Business):** Great. Thank you so much.

Thank you for the opportunity to be here today to present CFIB's perspective on NAFTA. You should have a slide presentation in front of you that I just want to walk you through very quickly.

CFIB is a not-for-profit, non-partisan organization that represents more than 109,000 small and medium-sized businesses across Canada. Our members represent all sectors of the economy, and are found in every region of the country. It's important to remember that Canada's SMEs employ 90% of Canadians who are working in the private sector, and they're responsible for the bulk of job creation in Canada. Addressing issues of importance to them can actually have widespread impacts on job creation and the economy overall.

Canada is a trading nation. Every year, billions of dollars of goods and services flow through our border, and many jobs depend on the vitality of our trade relationships. To better understand our members' perspective on NAFTA, we conducted a survey in May that got almost 4,400 responses.

Of the survey respondents, 63% had experience importing from the United States and 28% had experience exporting to the United States. As well, 3.5% had experience importing from Mexico, and 5% had experience exporting to Mexico.

As the U.S.A. is our largest trading partner, changes to NAFTA have the potential to seriously impact how we do business.

Uncertainty in this area makes it difficult for Canada's SMEs to plan for the future. In fact, more than one in four businesses are already looking to alter their trade plans, with another 42% not yet knowing if they will. Only 30% were confident that their trade plans would continue as they are.

This reaction should not come as a surprise, as getting involved in trade, even when there is more certainty, is not easy for smaller firms. There are almost always challenges that smaller businesses must try to overcome. Some, such as currency fluctuations, will not be solved by trade agreements. Others however, such as the cost of shipping, duties, and taxes, and understanding rules and regulations can certainly be addressed to some degree by successful trade agreements. These are among the areas we are seeking governments to address in this renegotiation of NAFTA.

It should be known that most get involved in exporting because they see a growing market demand for their product or service, because they want to expand their business, or because they see a good potential market opportunity. However, more than one-third also cited favourable free trade agreements as having an influence on their intention to export, so addressing SME trade priorities could encourage even more to engage in trade.

Our survey garnered more than 100 pages of comments on how NAFTA could be improved, and many common themes emerged. These slides provide a summary of the most important priorities to address in these NAFTA negotiations to assist small and medium-sized businesses. They include having a chapter specifically addressing the needs and particular challenges faced by small businesses. It could include a series of commitments and principles that all parties agree to, and we have suggested a few in a submission that we've also circulated to the committee members.

We also think we need to ensure that the current range of duty-free goods within North America remains as is, or is expanded. Many small business owners stated how important the agreement was in making them competitive, and losing this advantage would be devastating to their business. A focus on simplifying the rules, with the aim of reducing the overall administrative burden for small businesses involved in trade is another area.

Our submission outlines some very specific examples raised by members in our survey that could be addressed. Sometimes, the toughest issues that small businesses face are the myriad of taxes and rules at the state and provincial levels of government. We would encourage governments to find ways to include sub-national levels of government when working towards regulatory co-operation of tax and regulatory systems across all those multiple levels of government.

We would also strongly discourage changes that would complicate or tighten the rules of origin. Many expressed alarm that the NAFTA renegotiations could further complicate what is already a very daunting task for many SMEs. Rules of origin should be easy to understand, clearly communicated, and include solid examples of what is required.

Some of the most frustrating aspects of trade are the paperwork and the processes businesses must follow to get people or products across borders. Making border processes easier should include better customer service, easier and timelier access to information resources, and quicker response times to business inquiries.

Also, truck transportation is vital. It's a vital aspect of free trade in North America. While we understand the importance of safe and secure borders, NAFTA should look at ways to improve the speed at which trucks are able to cross those borders. This could include looking at how well trade facilitation programs such as the FAST program serve their intended purpose, and ensure that they are easy to access and more tailored to the needs of small firms.

Many small businesses also told us that there is a lack of clarity as to what visa may be required or not required for various types of labour to cross the border. This is often compounded by the uncertainty as to how the CBSA or the U.S. Customs and Border Protection will react to those. Even when their paperwork is in order, there are sometimes complications that cause delays in what should be an otherwise simple and straightforward process. The federal government should ensure that the free flow of labour remains an important component of NAFTA, and work to improve and clarify labour mobility rules.

Finally, we need to look at ways to modernize NAFTA.

• (1635)

E-commerce may be best to illustrate a technological advancement that should potentially be included as part of any free trade agreement. However, any new provisions related to e-commerce should be balanced with the needs of “bricks and mortar” businesses that have to compete with those online businesses. There is much more information on each of these items in the submission that we provided to you here today, as well as many member comments, and I'd be happy to answer any questions that you may have.

Thank you.

**The Chair:** Thank you. We're moving along well here.

We're going to move over to our last panellist from the International Institute for Sustainable Development. Mr. Vaughan, you have the floor.

**Mr. Scott Vaughan (President and Chief Executive Officer, International Institute for Sustainable Development):** Mr. Chair, and honourable members, thanks very much for inviting me. I wanted to make three brief points.

First, in 1994 NAFTA and its environmental side agreement, at that point, broke new ground in aligning trade and environmental issues, and at a minimum, those environmental provisions that currently exist within NAFTA and its side agreement should not be weakened with backsliding in the renegotiations.

More importantly, these negotiations also offer a window to craft a new NAFTA for the next quarter-century. We live in a different world from 1994. The science of global environmental change is robust. The economics of the cost of pollution and the benefits of avoided ecological damage are extensive. International markets and international trade in green, low-carbon goods and services as well as e-commerce are rapidly expanding, and the engagement of the financial services sector in climate issues is—as an investment bank CEO said yesterday at the World Economic Forum in New York—at a tipping point.

Much of these actions are taking place under the umbrella not only of the Paris climate agreement and the sustainable development goals, but other commitments such as the UN Declaration on the Rights of Indigenous Peoples. NAFTA can and should be a catalyst to advance these commitments.

My second point focuses more specifically on climate change. We applaud the Government of Canada's commitment to include climate as a core NAFTA objective. The European Union recently made a similar commitment to link trade, Paris, and the sustainable development goals, primarily through trade-related standards.

Some may argue that trade is not and should not be connected to climate issues. However, the International Monetary Fund and the World Economic Forum have identified climate change as the most pressing economic challenge of the 21st century, and the biggest risk to business stability today. We need to reform core economic policies, including trade, in order to reduce climate risk and scale-up joint action.

With that in mind let me identify a couple of entry points. One is disciplining environmentally damaging subsidies. The WTO, and the GATT before it, had talked about rules to reduce environmentally harmful subsidies for well over two decades. A new NAFTA ought to include disciplines to eliminate fossil fuel subsidies in accordance with G20 commitments.

Another is carving out a NAFTA climate environmental goods and services list, either in a new energy chapter, or through other chapters. The OECD, WTO, APEC, and others have identified lists of traded goods and services as well as their tariff lines. NAFTA has a chance to accelerate trade in clean technologies through not only zero tariffs but, more importantly, eliminating non-tariff barriers within Canada and between Canada, the U.S., and Mexico.

Linking the financial services chapter with climate finance options include climate disclosure; supporting innovative financial instruments like green bonds, climate bonds, sustainable development bonds that the World Bank has just issued; as well as cross-border clean power purchase agreements and energy purchase agreements to scale up North American-wide renewable and energy efficiency activities.

Another is establishing a North American climate-forest sink and offsets system. Frances Seymour, who was in Ottawa last week, reminds us that our forests represent the only proven carbon capture and storage option that is affordable and known. Therefore, North America could be a leader, which would also help our important forestry industry.

Finally, there's scaling up a North American climate adaptation focusing on supply chains, trade corridors, and related vulnerable areas. The more frequent and severe extreme weather events that we see today, literally today, are becoming the new norm for tomorrow.

Mr. Chair, I wanted to make a brief comment as well as about investment. The current chapter 11 was flawed from the outset by emphasizing investor rights without investor responsibilities. There have been several investor-state disputes that raised fundamental concerns with regard to the democratic right to regulate. NAFTA needs to reform. The CETA investment chapter provides a good basis. Moreover, the UN Commission on International Trade Law is discussing right now possible changes to investor-state dispute settlement.

For more than 20 years, IISD has been actively engaged in trade and investment issues, beginning under the leadership of David Runnalls. I would be glad to share the work that we've done related to our NAFTA analysis with the clerk.

Thank you.

• (1640)

**The Chair:** Thank you, sir.

We'll go right into the dialogue with the MPs. First we have the Conservative Party for five minutes.

Mr. Allison, go ahead.

**Mr. Dean Allison (Niagara West, CPC):** Thank you very much, Mr. Chair.

To all witnesses, thanks for being here.

Ms. Pohlmann, I want to direct my questions to you. I've known you guys well over the years. You talk about red tape. You guys sat on the red tape commission and we worked together as an organization when we had that red tape commission in the last government. Talk to me about anything specifically. We have had organizations say this red tape is an issue, so give us your thoughts specifically on what we should be looking at trying to address as it relates to red tape.

**Ms. Corinne Pohlmann:** Red tape is a broad category and can include everything from, obviously, dealing with regulations.... Again, we're not asking people to reduce regulations, but finding ways to simplify and co-operate so that we're not dealing with three different versions of a regulation when trying to trade in all three countries. There are ways that we can mutually recognize regulations between the countries so that businesses can maybe only have to do things one way, not three different ways. That's part of it.

The second part of red tape, I think, has to do with the communications and customer service side of the equation, because too often that's a big part of why businesses have struggled with complying with regulations. It's that they don't understand what the

rules are. There's not a lot of good explanations. It's not clear in the communications aspects of what they're supposed to do. I can tell you, the vast majority, the 99.9%, want to comply. It's sometimes just understanding what they need to do to comply that's the biggest issue.

For us, red tape goes well beyond the regulations. It goes on to how governments communicate those regulations and how businesses can access that information so they can do it appropriately.

**Mr. Dean Allison:** You also suggested in your brief that you always should be looking at the subnational levels while also the state level. Do you want to expand on that?

**Ms. Corinne Pohlmann:** Yes, absolutely. A lot of trade agreements look at things from the federal level, but in Canada, obviously, provincial level rules and regulations have almost a bigger impact on many smaller companies, and you could say the same in the United States at the state level. What we were often hearing in some of the work that we did is that it's confusing to know, because different states have different taxes, and understanding what their obligations are and paying those taxes is very confusing. Again, they're not suggesting they don't want to pay them. They just want to understand better what it is that they need to do in order to be able to sell their products in those states. Conversely, for American companies wanting to come into Canada, it would be the same confusing matter.

Bringing those subnational governments in is important. We know that in CETA, the Canada-European trade agreement, that happened, so why not use that as a model and potentially do that at the NAFTA table as well?

**Mr. Dean Allison:** Good.

I'm not going to let you get away without trying to make a comment on the proposed small business tax changes here in Canada. One of the things that Mulroney did in the original free trade agreement was to get rid of the manufacturers' sales tax to make us more competitive. Do you have any thoughts on the proposed small business sales tax? We're competing with the U.S., as well as Mexico, so I'd like your thoughts on what that could do to our competitiveness.

**Ms. Corinne Pohlmann:** Overall, it's tough to compete these days, and I think any new measures that increase the costs of doing business can be difficult for smaller companies to absorb. I would say it's not just the tax changes that have been recently proposed. Those certainly have an impact, but they are compounded with the increases we know are coming on payroll taxes, and the increases in some of the provincially mandated minimum wages.

There are a number of factors that are currently coming at small business owners across Canada that are scaring many of them in terms of understanding what they need to do in order to continue to operate their businesses. Many of them operate on very thin profit margins and this compounding of issues that are coming at them is what's scaring them. The most recent tax changes are something like a straw that breaks the camel's back kind of issue. It's almost like there have been so many in the last six to eight months. Again, it's not only federal. It's provincial as well as federal. Even municipal property taxes are being compounded and are adding to the ongoing or continuing anxiety that we're hearing about from small business owners

• (1645)

**Mr. Dean Allison:** I have less than a minute left. You gave us a whole list of great things that we need to work on, but what would you suggest is one of things we simply must get right as we look at what we're going to do with NAFTA as we move forward?

**Ms. Corinne Pohlmann:** It's hard to say, because it really depends on so many things, but I think it's really about border processes and making sure that the agreement that stands today is going to be just as good, if not better, going forward. So many businesses are worried about what will happen if suddenly they no longer have access to the markets they once did, or if they're not able to get the products they once were able to get without duty that will make them less competitive globally. These are factors that I think are the most important right now. They would like to see at least the status quo continue, if not an improved agreement for Canadian businesses.

**Mr. Dean Allison:** Thank you very much.

**The Chair:** Thank you, sir. That wraps up your time pretty well.

We're going to move over to the Liberal Party now.

Mr. Fonseca, you have the floor for five minutes.

**Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses. It's so excellent to see just how engaged Canadians are, as well as our witnesses who represent their members, and the amount of work they've done. I think that speaks to the maturity of NAFTA, 23 years, and what it's meant to Canada, to the United States, and to Mexico.

But over those 23 years many things have changed. We've entered this digital era, and we're looking at more progressive trade agreements. The types of questions that come about with NAFTA are somewhat different from what we experienced as we were going through our consultations with TPP.

It was good to see, Ms. Dey as well as Ms. Pohlmann, that you had done a number of surveys with your members, and many are asking for the same things. Some of the surveys we've heard say that what Canadians want is not just a trade deal. They want a fair trade deal, and they are looking for a progressive trade deal. That's what we want. We heard from the minister. The minister says we will not sign just any deal, but we will sign a deal that is good for Canadians. That's why a number of our priorities are progressive, such as the chapters on environment, labour, or indigenous matters.

I'd like to hear from Ms. Dey. Speaking of those three areas and those who are negotiating at the table, can you put in priority what you would want to see on the environment, on labour, on indigenous issues, what we would lead with?

**Ms. Sujata Dey:** One of the things that's really important is that a lot of what happens in trade agreements can often be more symbolic. The most important thing I would put on the top of my list is "binding and enforceable". For example, having the Paris climate agreement within the environment chapter of NAFTA would be a very important thing, but it would also be something that's binding. For example, when we look at CETA there are many promises and there are many different claims about CETA, but nothing within the environment or sustainable development chapter in CETA is binding at all. In fact what it says is that we recognize the Paris climate agreement. Recognizing it is very different from saying there will be a penalty if you do not subscribe to it.

The other thing we noticed in these chapters, in the TPP as well, is that they will often say things like we recognize that we will not change our standards, but we don't actually set what those standards are. Obviously the reason is that we don't want to say to other countries that this is what they should do, but on the other hand there has to be some kind of mechanism, for example, to say to the country that is not meeting a certain minimum standard that we're going to add tariffs to it. We'd say, "Go ahead, keep your standard, but there are definitely going to be prices to pay for that".

It's the same thing with indigenous issues. The UNDRIP has to be part of this and part of an enforceable mechanism.

Another thing we should also talk about is governance, because within these trade agreements we're now shifting governance from sovereign parliaments toward a trade agreement. There has to be some kind of mechanism in it that our parliamentary standards as Canadians are actually part of those agreements.

I just want to take something apart that I hear a lot. I hear many people say CETA is the most progressive agreement ever. Certainly there are some interesting points in CETA, but I think what you have to remember is that a lot of what is in CETA that people refer to as progressive is in the interpretative declaration that was made after the agreement was signed. That is an agreement that sounds very nice, but the problem is that it's not part of the agreement. It's only when there is something that's not clear in the agreement that it interprets that. So it is something that is actually quite fluid, right?

A lot of those principles are wonderful—for example, recognizing the precautionary principle in trade agreements—but none of that is actually enforceable. I think the key for progressiveness is enforceability.

• (1650)

**Mr. Peter Fonseca:** Thank you.

My next question is for Ms. Pohlmann. I'm going to take from my colleague, Ms. Ludwig. She often talks about a smart, secure, strong border, as well as an efficient and smart border. When it comes to that efficiency, can you share with us, from your members maybe over the last number of years, some of the things that have been done that have really improved the border? What would be your priority in terms of the border that would help us to move forward with more improvements?

**The Chair:** Mr. Fonseca, you know better than to ask a question when your five minutes are almost up. We're going to have to punt that question to the next Liberal, because you're over five minutes and I can't let that slip in there.

**Mr. Kyle Peterson:** He stole it from her anyway.

**The Chair:** Just hang onto that.

We're going to have to move over to the NDP now. Madam Ramsey, you have the floor.

**Ms. Tracey Ramsey:** Thank you so much.

Thank you everyone for being here today.

I want to start with the discussion around bulk water exports and the potential of that going forward. This isn't currently an issue we are facing, but with climate change and what we're seeing around the globe with fires—we have B.C. wildfires—and then we have the horrible earthquake that just happened in Mexico City, with drought being a potential result of climate change. Also, I have to reference, obviously, I'm on a Great Lake, Lake Erie, in my riding. The Great Lakes represent one-fifth of the freshwater supply in the world. It's incredibly important that we have this shared body of water protected.

How does NAFTA make it difficult to stop bulk water exports, and why is this dangerous?

**Ms. Sujata Dey:** It's very much so. That's an interesting question, because you have to remember that water is becoming a multi-billion dollar industry. There is even trade right now on futures of water. It has become an investment vehicle. Those are very important.

In NAFTA's annex, water is a tradeable good. Right now, there is relatively no danger, because all the provincial laws are pretty harmonized. They don't allow exports of bottled water, but if any one jurisdiction did, then we are obligated. It's a good, so we're obligated to do that, and not only obligated, because we have energy proportionality in the agreement. That is also very dangerous, because we are then obligated to give a certain percentage of exports, according to a formula.

The other problem is that water is now becoming an investment vehicle. That means if we have an ISDS with chapter 11 in it, we could have a chapter 11 suit based on our control of our water resources.

**Ms. Tracey Ramsey:** Thank you for that.

I had a question today about chapter 11 and the removal of chapter 11. There's been a strong call for it. I think you said in your poll of Canadians that 63% indicated they'd like to see this chapter removed. Of course, there have been discussions about the ICS in CETA, so I wonder if you can speak both to the importance of the

removal of chapter 11 and the impact it has had on Canadians, and also whether or not you see ICS as a solution to that.

**Ms. Sujata Dey:** We're the most sued developed country in the world, with 39 suits, and a lot of them over our environmental policies. We have to remember that we are a resource economy. We have a lot of resources, so as we try to protect our resources, we will get more and more suits as we change laws and policies, especially when it comes to indigenous people who are going to try to take control of their resources. This is a very important Trojan horse that could destroy a lot of our attempts to do good in the world, and that's what we feel Canada wants to do.

However, when you get to the CETA chapter of the investment court system, you have to remember that it's a very controversial mechanism because it's still making the primacy of law over the investor rights. The investor rights are still given there, and are higher than our other rights. Inequality is a major problem as we go into environmental issues because the problem in this world right now is not that investors don't have enough power. The problem is that people and the environment don't necessarily have enough power. When we look at CETA, there are a few changes. There are judges, but there are the conflicts of interest of the judges serving as judges and then serving as lawyers. There's still an incentive, because this is a very lucrative industry. It's \$4 million a case to offend, to put those cases in. It's still a very potent tool for corporations against the public interest. That's very important.

There's a very interesting proposal on the table from the U.S. trade representative to have an opt-in to chapter 11. That would effectively disable chapter 11. It would mean that any country that didn't want it didn't have to do it. We could totally do that. That would set a wonderful precedent. You have to remember, this is not some crazy Council of Canadians radical statement. Australia has trade agreements with the United States without ISDS in them. That's a developed country. Brazil does not have any agreement with ISDS. A number of countries are pulling out of their ISDS agreements.

We're talking about being ambitious as Canadians. Maybe that's an ambitious point where we can do something.

• (1655)

**The Chair:** That pretty well sums it up for your time.

We're going to move to the last questioner. Madam Ludwig, you have the floor.

**Ms. Karen Ludwig (New Brunswick Southwest, Lib.):** Thank you.

It's probably no surprise what my question might focus on. Thank you very much, all of you, for your presentations today.



Certainly, yes, the border is an issue, as we've heard from a number of witnesses. Similar to Ms. Ramsey, I represent an area that is on the border. I am also fortunate, and sometimes unfortunate, in being very involved with small businesses. We have two in the riding, and one of them is directly impacted by exports.

When we look at a smarter, more efficient border, my colleague talked about the use of technology. Certainly the current NAFTA agreement is nowhere near keeping pace with current technology. I wonder, Mr. Vaughan and Ms. Pohlmann, if you could speak to the potential impact and opportunity for e-manifest and pre-clearance of goods and services, but also people, so that we can reduce the delays at the border. The theme I want to push here is a stronger, not weaker, North American market.

**Ms. Corinne Pohlmann:** Absolutely, technology is definitely a tool that could be used much more effectively at the border than it currently is. The issue we sometimes run into, however, is that often these tools are built with the big businesses in mind and the large amounts of goods that cross the border, and not so much the little independent that is only going to be sending a small amount across the border. In terms of the paperwork, even if it's going to be electronic, you still have to figure out how to fill out all the forms. That's where we need to rethink a bit how border processes affect smaller companies versus larger ones.

If you're trading the same product but you're only doing it once a month, why do you have to fill out the same forms every single time, multiple times? That's what we're trying to get at, trying to think differently about how smaller firms use the border processes versus large-volume companies that are using it. Too often it's all built for the big companies and not thinking about the impacts on the small ones. They still have to fill out the same forms and it just takes a lot more time and a lot more effort, even if they are electronic.

I agree that technology could be used much more effectively than it is today, and labour mobility is a key area. There it's a lack of understanding of what the rules are and inconsistency in how the rules are applied. Using technology might be one way to bring more consistency to that, because the way it is today, anecdotally, we hear that you get one answer from one border guard and a different answer from another and it's really confusing. They try to find other ways to work around it, which is not ideal either. Technology could potentially help alleviate some of that and just make it a lot clearer. That's what we're hoping the NAFTA negotiations can do.

**Ms. Karen Ludwig:** Thank you.

Mr. Vaughan.

**Mr. Scott Vaughan:** Very briefly, I was at a meeting yesterday in New York talking about exactly this with the OECD, the International Trade Centre, and the World Trade Organization.

There's a report I'd recommend that ITC came out with in July 2017. Right now, e-commerce represents about 12% of global trade, so it's trillions of dollars, but in terms of the connectivity gap, as Ms. Pohlmann said, large-scale companies are better suited. For small and medium-sized enterprises, this connectivity gap remains a real issue, but the potential, then, and what ITC has shown, is that deploying greater e-commerce, especially business-to-business opportunities, has also closed gender gaps within trade. Young entrepreneurial women, when they're using e-commerce, have more

success in crossing borders than if they're doing it in person, particularly in developing countries.

Again I'd just agree with you that NAFTA could actually lead the world in connectivity.

• (1700)

**Ms. Karen Ludwig:** Great.

Just adding to that as well, in terms of a stronger North American region, there is an opportunity here certainly to modernize. Some of the themes we've heard today we also heard in the U.S., when we were in Washington, Chicago, and Detroit in early June, encouraging the interest and focusing on the environment. One of the suggestions before the House ways and means committee was to potentially look at NAFTA as a bit more of a nimble opportunity in terms of being able to make changes in the case of the use of technology, perhaps not an entire chapter on technology but looking at the agreement with a technological lens.

Ms. Pohlmann, the other area I want to speak with you about is labour mobility. That was also raised as something to look at in the United States. When we look at small businesses, access to labour is an issue. What I hear even in my region is that on any given day there are about 300 vacancies in businesses just in one of my counties. In terms of trying to take greater advantage of NAFTA, CETA, or the Ukraine agreement, could you speak to the challenges you hear about from your small businesses on the need for enhanced labour access?

**The Chair:** It'll have to be a very quick answer, please.

**Ms. Corinne Pohlmann:** It's certainly an issue. Again, it goes back to clarity of what the rules are and what you need to do in order to either access labour or get labour across the border, and that's still not clear. Even among professionals all the way down to the technicians, there are a lot of different categories and a lot of different ways you can define them. Right now, it's so complicated that often when you think you've filled out the forms correctly, you still run into complications. That would definitely be an area that we'd love to see streamlined in a much better way.

**The Chair:** Thank you.

I think we have one minute left.

Ms. Ramsey, you have a quick question?

**Ms. Tracey Ramsey:** I do.

It affects small businesses, but I'm not sure, Ms. Pohlmann, if it affects those that you represent. It has to do with the de minimis. There's been a lot of discussion about whether the de minimis should be raised. The U.S. is requesting a raise to \$800. We do know that this happened in Australia. There was a raise of \$800, and they went right back to zero. We're currently at \$20.

Could you comment on which direction the groups you represent are advocating a move with regard to de minimis in NAFTA?

**Ms. Corinne Pohlmann:** We're on record as for not increasing it, for keeping it at \$20. Part of the reason for that is the competition. It would be unfair to have online competitors able to bring in products and their customers not pay any GST or HST on them. Essentially, the products would be 13% to 15% cheaper than if they were at brick and mortar stores in Canada. We believe that it would create an unfair competitive level in Canada. We want to keep it at the \$20 level and not have it raised.

**The Chair:** Thank you very much.

That wraps up our second panel. We're going really well.

Thank you, panellists, for joining us.

We're just going to suspend for a minute, and then we're going in camera because we have some very important future business. That puts us back on track for the next group of witnesses to come in around 5:30.

*[Proceedings continue in camera]*

• (1700) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1730)

*[Public proceedings resume]*

**The Chair:** Welcome back, everyone.

Welcome to the table panellists. I'm sorry, but we had some future business that we had to discuss right away. As you know, our study is on future trade with the U.S. and Mexico, and we have a serious situation in Mexico, as many of you know. We were planning to go there Saturday, but everything has changed. We had to deal with that business. Thank you for your patience.

As many of you who were here before know, we usually try to keep each presentation under five minutes. Then we'll have good dialogue with the MPs.

We have with us today Fertilizer Canada, Smart Prosperity Institute, and Chicken Farmers of Canada.

Maybe we can start off with Fertilizer Canada. We have Mr. Graham, senior vice-president.

Go ahead, sir. You have the floor.

• (1735)

**Mr. Clyde Graham (Senior Vice-President, Fertilizer Canada):** Thank you, Mr. Eyking and members of Parliament.

Thank you for the introduction. Thank you also for inviting Fertilizer Canada to speak with you today in relation to the state of trade among Canada, the United States, and Mexico. We are pleased to appear before you and to provide the committee with information

about our association's mandate as well as to present our recommendations in the context of the North American Free Trade Agreement's negotiation.

I am Clyde Graham, senior vice-president of Fertilizer Canada.

Fertilizer Canada represents the manufacturers and wholesale and retail distributors of potash, nitrogen, phosphate, and sulphur fertilizer and related products. Collectively, our members employ more than 12,000 Canadians and contribute over \$12 billion annually to the Canadian economy through advanced manufacturing, mining, and distribution facilities nationwide. As the foundation of Canada's agri-food sector, Fertilizer Canada continues to make changes that positively impact the environment, the economy, and the social fabric of Canadian life.

NAFTA is of significant interest to our members and their farm customers. Farmers in agribusinesses on both sides of the 49th parallel depend on imports and exports of fertilizer in an integrated North American sector.

Fertilizer Canada has consistently supported regional and bilateral free trade agreements, including the Canada-European Union Comprehensive Economic and Trade Agreement and the proposed trans-Pacific partnership. We're also engaged in the exploration of China and other agreements that are potentially in the works.

We certainly support an expanded and modernized North American Free Trade Agreement to protect and enhance free trade within North America. We would like to bring forward several key recommendations to support the Canadian government's goal to modernize and strengthen NAFTA. In essence, while we support an enhanced NAFTA, I think we would certainly like the Government of Canada to take a "do no harm" approach. What we have is pretty valuable, and we'd like to sustain it and make it better.

Foremost, we need to protect the interests of our farmer customers in Canada, the United States, and Mexico, who depend on access to cost-effective fertilizer products and services. Canada is the world leader in potash fertilizer production and export, accounting for 52% of global potash reserves. Canada is also the ninth-largest producer of nitrogen fertilizer in the world. Almost half of the nitrogen fertilizer produced in Canada is exported to the United States and its farmers.

Additionally, the United States exports between \$800 million and \$900 million in fertilizer products to Canada each year, mainly phosphate and nitrogen fertilizers, including monoammonium phosphate and urea. Canada maintains a significant trade surplus in fertilizer with the United States—about 4:1. Maintaining or improving integrated supply chains within the United States and Mexican markets is imperative to Canadian manufacturers during the NAFTA renegotiations.

Fertilizer Canada also recommends that we support regulatory harmonization and co-operation. A consistent science-based approach will prevent the creation of protectionist trade barriers under the guise of environmental, health, and sanitary or phytosanitary rules. Strengthening regulatory co-operation will reduce regulatory approvals required for products produced and sold across the region.

To achieve this, we recommend modernizing customs procedures and expanding the range of skilled workers and professionals for free movement within NAFTA. That is certainly an area we would like to recommend strongly, as executives, other professionals, and skilled workers move within companies that are integrated in North America in the fertilizer industry, and that's an important value for the entire North American economy.

Last, we recommend that the following provisions be maintained or adopted during the NAFTA renegotiations.

- (1740)

Maintain the current zero duty rate on fertilizers and chemical commodities listed in the harmonized tariff schedules for chapters 28 and 31. Maintain the exemption of the merchandising processing fee on imports of NAFTA declared goods. Maintain current tariff shift rules of origin for fertilizers and chemicals listed in the harmonized tariff schedule, chapters 28 and 31 to avoid unnecessary administrative burden, and adopt a chemical reaction rule for the qualification of chemicals to align NAFTA with other modern free trade agreements and provide administrative efficiencies.

**The Chair:** Are you almost wrapping up?

**Mr. Clyde Graham:** To conclude, appropriately enough, I want to thank the members of the committee for this opportunity to present our views.

In summary, our recommendations are to protect the interests of our farmer customers across North America who depend on cost-effective fertilizer products and services, to support a science-based regulatory harmonization and co-operation, and to maintain and adopt provisions to protect fertilizers and chemical commodities in NAFTA.

We welcome the opportunity to continue this dialogue, which I think is going to go on for a considerable period of time, and we're pleased to answer any of your questions.

Thank you very much.

**The Chair:** Thank you, sir.

We're going to move over to the Smart Prosperity Institute, with senior fellow, Mr. Runnalls.

**Mr. David Runnalls (Senior Fellow, Smart Prosperity Institute):** Thank you very much, Mr. Chairman. I am with the Smart Prosperity Institute at the University of Ottawa. We're a clean economy think tank with a research network of academic researchers across the country in this area.

You might be asking yourselves why a trade agreement should concern itself with environmental issues. You've had three environmentalists today, more or less. Isn't life complicated enough without making the poor trade negotiator's life even more difficult by adding in something else?

I was involved with the original NAFTA. I'm old enough to have done that. Clyde was actually involved with the creation of the GATT, so we're both ancient in all of this. I was right there at the WTO. We asked ourselves the same question, and the answer is still the same. Under sustainable development, the environment and the economy are joined at the hip. Policies in one sphere that ignore the other are bound to fail. We have all sorts of examples at hand to illustrate this mutual interdependence. Think pipelines. Think the management of natural resources.

Canadian industry has learned a great deal about environmental performance since the beginnings of NAFTA. We're now among the world's leaders in forest management. Our mining industries continue to improve their performance. Our fisheries management practices are vastly improved. The Canadian brand is now a trade advantage in all sorts of commodities markets, potentially.

NAFTA was a pioneering agreement with its environmental side agreement. The environment is now a staple of every major trade agreement and now a common topic at the WTO, so we welcome the stated desire of all parties to bring the environment into the main text of the agreement and to strengthen it. It's a side agreement now. It's now much more modern to put the environment into the main text of the agreement.

I want to talk about two things. One, which you've heard about already, is chapter 11, the investor state dispute resolution mechanism. The second is Canada's obligations under the Paris agreement on the road to a clean economy.

You probably all know about chapter 11, but in brief, it gives investors the right to take governments to an arbitration tribunal, should they feel they've been mistreated by any level of government in the three countries. It was included in the original agreement to reassure investors in Mexico that they would be compensated in the event of expropriation. Canada was indifferent, but the U.S. and Mexico were strongly in favour. It has since become a very blunt instrument. It has in it phrases like "fair and equitable treatment" and "expropriation", which have been very broadly construed by the panels. We're the victims of this. There have been 39 claims against Canada. We've lost almost all of them. It's cost the federal government \$215 million. The majority of the claims have been based on environmental issues, in many cases effectively challenging the rights of government to regulate. These are international arbitrators in a system that's used for commercial arbitration, contract disputes. They are now deciding whether or not the Government of Saskatchewan, or Alberta or Ontario, has the right to regulate on a particular issue.

Gordon Ritchie, who's no softie, who was one of Canada's top negotiators on the original Canada-U.S. deal, described it the other day as an unbelievable intrusion into sovereignty.

What to do about chapter 11? It seems as if the government's preferred position is a regime similar to that constructed under CETA. It is more structured. It has appointed members who serve without the conflict of interest common under the present system. It has an appeals body, and perhaps most importantly, it contains a clear statement on the ability of governments to regulate as they see fit. If this doesn't work with the other two countries, Canada should at least insist on a clarification of the terms "expropriation" and "fair and equitable treatment", or we'll be beaten over the head with this thing forever.

Turning to Canada's climate strategy, Canada's greatest challenge over the next 30 years or so will be twofold: to move toward an economy that is far less carbon dependent than it is now, and continue to support a robust energy sector. That is not an easy task. This transition to a lower-carbon economy will present unprecedented opportunities for the clean-tech sector in particular, and will require a complex set of government actions to bring it about.

• (1745)

President Trump's decision to withdraw from Paris, and the actions of his EPA director in denying the basic science of climate change, and relaxing many of the main environmental laws and regulations, presents Canada with a set of difficult choices. Here, again, I think there are two potential NAFTA strategies.

**The Chair:** Sorry to interrupt. You might have to wrap it up there, since we're way over time.

**Mr. David Runnalls:** Okay.

One of them would be to basically begin to move toward a North American clean economy strategy—in fact, NAFTA could be used to do that—which would include a discipline on fossil fuel subsidies, harmonizing product energy efficiency, and the institution of a North American clean economy commission. There's already a NAFTA Commission for Environmental Cooperation in Montreal. It works. It functions. This would be a good job for it to do.

If that doesn't work, then Canada, de minimis—to use that phrase again—will have to insist that the new NAFTA includes language that ensures that no provision restricts Canada's WTO rights under article 20 to take environmental measures, and we should seek to have the UN Framework Convention on Climate Change included in the list of multilateral agreements that are under NAFTA. That's fairly common practice, but it's not there. Otherwise, our industry could find themselves in considerable difficulty when it comes to pursuing the pan-Canadian climate change framework.

Thank you, Mr. Chairman. I'm sorry to have gone on a bit.

**The Chair:** Thank you, sir.

We're going to one of our favourites, the Chicken Farmers of Canada.

**Mr. Mike Dungate (Executive Director, Chicken Farmers of Canada):** Thank you.

**The Chair:** I see, Mike, you have your winger with you, Mr. Ruel.

**Mr. Mike Dungate:** Yes, I have my left winger.

**The Chair:** It's good to see you both. Thank you for coming.

Go ahead, you have the floor, sir.

**Mr. Mike Dungate:** Thank you very much, Mr. Chair, members. Thank you for inviting us today to speak on NAFTA.

At the outset, let me say that NAFTA, as currently structured, has been positive for both the Canadian and the U.S. chicken industry. With the stability provided by supply management, the Canadian chicken industry has been able to focus on growing demand for Canadian-grown chicken. Since the implementation of NAFTA, we've grown our industry from 600 million kilograms a year to almost 1.2 billion kilograms a year.

As a result, today, our 240 hatching egg producers, 40 hatcheries, 125 feed mills, 2,800 chicken farmers, and 191 processors sustain more than 88,000 jobs, contribute more than \$7 billion to our economy, and pay more than \$2.2 billion in taxes. It isn't just 2,800 chicken farmers who are engaged in this industry.

Our supply management system is much more than just stability. We've levered our regulations to implement mandatory third-party audited on-farm food safety and animal care programs. We've reduced the use of the most important antibiotics to human medicine, and we aren't stopping there. We're investing in innovating for the future if our strong growth continues. To expand our capacity, all members have made significant capital investments in the last few years, and are continuing with planned investments in new barns, new hatcheries, and new processing plants right across the country.

In its submission to USTR, the U.S. chicken industry stated:

The benefits of NAFTA to the U.S. poultry industry stand in stark contrast to our experiences in other countries where comparable agreements were never achieved.

Canada is the second-largest market for U.S. chicken exports after Mexico, in both volume and value. When considered on a per capita basis, we import three times as much as Mexico does. We imported 142 million kilograms of chicken from the U.S. in 2016, all of it duty free.

The United States also enjoyed a consistent, positive balance of trade, \$300 million a year. Because NAFTA access is tied to our Canadian production, it has increased every year. In fact, since they implemented NAFTA, U.S. access to our market has gone up 406%, while total U.S. exports to Canada are up 166%. There's no issue here from the U.S. Thus, NAFTA as currently structured is positive both for the Canadian and the U.S. industry.

That doesn't mean some modernization and tweaking can't be done. A couple of regulatory misalignments that we would focus on include antibiotic classification.

Of particular importance to us is bacitracin, which is a key antibiotic that we use. It's classified as "not important to human medicine" in the U.S., while Canada and the World Health Organization say that it is. Furthermore, the U.S. definition of "raised without antibiotics" allows them to use ionophores, if approved by USDA and labelled.

While we've done a good job in having the U.S. repeal country-of-origin labelling for pork and beef, it hasn't been done in chicken. It's still on the books, and we're not aware of any national on-farm food safety or animal welfare programs in the U.S.

Another concern that we've had, that we've raised with you in the past, is fraudulent spent fowl imports. These illegal imports represent the loss of about 2,700 jobs in Canada on an annual basis. It's also a food safety issue. Because this is fraudulent product, we've broken the chain of traceability. If there's a food safety recall in the U.S., in Canada, because we've broken that traceability chain, we won't know where it is, and we put Canadian consumers at risk.

The U.S. must commit to finding a means of ensuring that their exports of spent fowl—and we're not trying to stop them—are indeed spent fowl and not fraudulently labelled broiler chicken meat.

We believe NAFTA modernization should create regulatory alignment on the issues. Chicken farmers are proud of the role we play, but we don't think we should be put at a competitive disadvantage because we've been willing to shoulder these additional burdens.

What would we recommend?

• (1750)

Again, in terms of context, the U.S. is 17 times the size of our industry, 18 billion kilograms to 1.2 billion kilograms. Their exports are three times the size of our total production. We sit beside an elephant, in terms of our industry. That magnitude makes it important to keep the system that we have. We need the over-quota tariffs that maintain the level of access to what we've negotiated. Any reduction in the over-quota tariff would jeopardize the stability of our industry and put it at risk.

Second, in terms of the access, we've negotiated 7.5%. That makes us the second-largest importer from the U.S. and the 14th-largest importer of chicken globally, and it will go up every year. There's already a built-in escalator clause in terms of our access, so we don't believe there should be any additional access given from a per cent of our market.

Third, we have to preserve our rights on animal agricultural special safeguards.

Finally, there are the regulatory misalignments around COOL, fraudulently labelled spent fowl, antibiotics....

We appreciate the support that you have provided to us over the years. We think we can come out on a positive basis in these negotiations if we stand firm across Canada on what's important.

I look forward to your questions. Thanks.

• (1755)

**The Chair:** Thank you.

I just have one quick question for you. You said we were the second-biggest importer from the United States. Who's their biggest export market?

**Mr. Mike Dungle:** Mexico is their largest in both volume and value, and we're the second largest in both volume and value.

The U.S. chicken industry understands that NAFTA is of benefit to them. If they got a bit more access, would they say they liked it? Yes, but what's important to them, as Clyde has said, is to do no harm.

**The Chair:** Thank you.

We're going to go right to a dialogue with the MPs. We have the Conservatives up first for five minutes.

Mr. Dreeshen, you have the floor.

**Mr. Earl Dreeshen:** Thank you very much. There are just so many different things to talk about right here with the three excellent presentations.

I'll start with "raised without antibiotics", and you can throw into that "without added hormones". We understand exactly what has taken place there. It is a marketing ploy. It has nothing to do with safety. All of those kinds of things are significant.

I know that spent fowl is an issue. People like to say, "We're giving 110%" and that's about what we're getting out of the spent fowl that's coming out of the U.S. It doesn't add up, so obviously we know that there are some concerns there.

Do you have any any idea just how we can deal with that one particular issue, spent fowl?

**Mr. Mike Dugate:** The key piece on that one, which we've been pushing for, is DNA testing. We've worked with Trent University to have DNA testing. We're at the point where the government needs to test, to get it's own validation of our test. We think it's good. We didn't do it. The people at Trent University did. We think that's the key step. You don't have to use it all the time, but having it in hand will stop the fraudulent part.

**Mr. Earl Dreeshen:** Thank you.

Mr. Graham, on the Fertilizer Canada side of things, I am a farmer and understand the sorts of things you require as far as fertilizers are concerned. I know the different types of feedstocks that you require, especially when you are looking at nitrogen fertilizer.

We've been told that with the added costs that are coming from the carbon tax, the margins, as far as being able to take our Canadian product into the States, are going to be so small that we may well lose that market. We've also been told that China will take up that market, and they base it on coal, so we are not looking at the unintended consequences, perhaps, with some of these. There are issues that exist there.

When you look at the kinds of things that we should be keeping in mind as we look at the fertilizer industry, that should be one of them as well. I don't know how that ties in to NAFTA, but these are issues that.... The fertilizer industry is going to be there, and your main point was how we are going to maintain security for farmers. If we care about Canadian farmers, this is one of the issues that we should be looking at.

You talked about the chemical reaction rule and having that align with other agreements. Could you just give a quick update as to what you're looking for there?

**Mr. Clyde Graham:** It is interesting. As I was preparing for this brief, I looked at that recommendation, and it's the one that I probably know the least about. Essentially, I think it's that there is a system for determining the kinds of chemicals and we need a harmonization of that.

We can send the committee more details. I think it's an example of where Canada and the United States have slightly different systems for analysis. One is not necessarily better than the other, and finding a way to either have Canada adopt the U.S. or vice versa—I think in this case we're asking Canada to adopt the U.S. system—I don't think makes a significant difference. It's simply that we would have one system for the whole industry. I think that's what we're doing, and I think it's an example of the kinds of areas where regulatory harmonization could be important.

I can send you details on that.

**Mr. Earl Dreeshen:** Thank you very much.

**Mr. Clyde Graham:** If you wanted me to respond on climate change briefly, we are working with the federal government and the provinces to get achievable targets for reduction for our industry. We have limits on that because of the engineering and the science of ammonia production and potash production as well. Our industry supports the aims of climate change. We are hopeful that we are going to get outcomes from the federal government and the provincial governments that will recognize the limitations of our

industry and secure the North American competitiveness of our industry.

• (1800)

**Mr. Earl Dreeshen:** Of course, with issues there, if you don't, you're going to be bringing in fertilizers from Egypt and so on, which again, are going to be able to undercut because they have different sets of rules that they're working with.

**Mr. Clyde Graham:** The market will adjust, as it adjusts.

**Mr. Earl Dreeshen:** Do I have more time?

**The Chair:** Not really. You're right on the wire there. Those were good questions.

We're going to have to move over to the Liberals. Madam Lapointe, you have the floor for five minutes.

[*Translation*]

**Ms. Linda Lapointe:** Thank you very much for staying within your allocated time. I appreciate that.

Mr. Graham, I have some questions for you.

Earlier, you talked about skilled workers and professionals and said that your company should be allowed to ensure that workers can work in any country.

What is your take on that and what kind of workers were you referring to?

[*English*]

**Mr. Clyde Graham:** Our largest companies tend to be integrated in North America. Some are based in Canada, like Agrium and the Potash Corporation. Some are based in the United States, but have very significant assets in Canada. I think one of the interesting things about our industry is that senior executives from those companies tend to move back and forth across the border, which is a good thing for Canada, because we have very significant executives in positions of influence in the United States in their industry and vice versa. There is a wide range of people who move.

For example, there are kinds of welding trades that we need on an occasional basis to do renovations of our facilities. Canada is not a big enough country to have large numbers of those skilled trades, so from time to time, it's important for us to bring them in on an occasional basis, as well as scientists, engineers, and other people like that.

[*Translation*]

**Ms. Linda Lapointe:** What would be the effect of allowing that in the new free trade agreement?

[*English*]

**Mr. Clyde Graham:** This is an area that I think we would like to protect and possibly enhance. It does exist. There is a degree of labour mobility within the NAFTA. We think that's a good thing for Canadians and Americans, and in certain industries, for Mexican employees. We'd like that to continue and expand.

[*Translation*]

**Ms. Linda Lapointe:** Thank you.

I have a question for you, Mr. Runnalls.

You said that a clean economic strategy should be created. Given that some countries withdrew from the Paris agreement, how could this kind of a strategy be included in NAFTA renegotiations?

[English]

**Mr. David Runnalls:** There's an optimistic strategy and a pessimistic strategy. I mentioned them quickly at the end. The pessimistic strategy is that we have to make sure we protect our rights and Mexico's rights to honour our obligations under the Paris agreement from actions that penalize Canadian producers and Canadian companies that have actually obeyed Canadian law.

Normally, in trade agreements, the international environmental agreements are listed by name, and in NAFTA, the Framework Convention on Climate Change is not listed. At the very least, Canada should make sure it is listed, because if it's there, then Canada pursuing its obligations under that convention is non-actionable in trade terms.

The more optimistic one that I explored very briefly is that the future of a clean economy in North America is an enormously optimistic one, which could provide jobs. It could provide all kinds of employment opportunities and all kinds of technological opportunities. We're really at the stage now where Bloomberg New Energy Finance reckons that by 2022 it will be cheaper to build a solar power plant from scratch than it will be to operate an existing gas-powered plant in the United States, so the economics are changing very rapidly.

The Trump administration may be looking for some sort of an out on climate change. They're not going to sign up to Paris again, but they may be looking to try to improve their reputation a bit. The administration is under enormous pressure now from governors. There's a list of 30—mainly Republican—governors, who wrote to the president saying, please don't mess around with renewable energy; our states are very dependent on it.

Large companies like Walmart are investing tons of money now in renewable energy. It's an idea that's coming, and it's going to come no matter what the president does. If they're looking for a way to begin to leaven the effects of what they've said about climate change, to be in favour of the growth of the clean-tech sector and of a cleaner economy would be a very good way to do it. There are ways in which we could modify NAFTA to permit tariff-free and barrier-free entry to environmental goods and services.

We can do something about fossil fuel subsidies, which all the parties in this House and all the G20 members—including the United States and Mexico—have committed to eliminate. We could also do something about this funny little commission in Montreal, the Commission for Environmental Cooperation. Instead of seeing it swept out the door, which it will be if you bring the environmental provisions into the treaty, it could in fact be a clean economy commission. It could give advice, which could begin to create discussions, which could help to harmonize regulations on energy efficiency, for example. You'd get the three countries talking about something that wasn't climate change. They'd actually be talking about clean energy, which is a big employer and a very profitable enterprise.

•(1805)

**The Chair:** Thank you and we're going to have to move over to the NDP.

Go ahead, Ms. Ramsey, you have the floor.

**Ms. Tracey Ramsey:** I don't know where to start. I have so many questions.

Like my colleague, I wonder if you could send us some information about the chemical reaction rule. That's something new to us here. For all of you, if you have a brief that you can submit to the committee afterwards, that would be greatly appreciated, to enable us to follow up on some of the finer details.

I'll go to the chicken folks with my first question. Do you have any indication of a discussion of opening access further in NAFTA? Have you been given any indication by the government that this is something that could potentially be on the table? We certainly heard Donald Trump and the administration in the 19 pages referencing supply management more broadly, but do you have any indication that you will be included in those conversations?

**Mr. Mike Dungate:** We have no indication in terms of that, so our message to Mr. Trump is that if he wants more access, sign TPP. It's there.

**Ms. Tracey Ramsey:** Okay.

It was opening further in TPP, so that's something you would consider.

**Mr. Mike Dungate:** There was a deal done in TPP. Would I say, if I was negotiating only for the Chicken Farmers of Canada, that I liked that deal? No.

**Ms. Tracey Ramsey:** Okay, fair enough.

My next question is about country of origin labelling. Do you think, then, there's an opportunity to address the COOL issue in NAFTA?

**Mr. Mike Dungate:** I'm not sure that there is, but I think there are enough demands from the U.S. side that we need to put back the same demands. There is a risk that some of our colleagues in agriculture fear the U.S. coming back on COOL. All I want to signal is that if they're coming back, our push-back has to be strong and it has to include chicken as well.

**Ms. Tracey Ramsey:** Mr. Graham, my colleague had a conversation with you that's very important, about expanding the professional business visas that exist. Certainly my riding is on the border and I hear quite often from folks that they want to expand that. Have you submitted to Global Affairs the list that you would like to see included, or have you participated in the government consultations where you were able to add to that list?

**Mr. Clyde Graham:** We have not yet submitted a list. The briefing we've received is that we're at a very preliminary stage, because the U.S. has not put substantive proposals forward yet in many areas. We'll probably have to study that and see what particular areas we'd like to expand that in, but our biggest priority is protecting what we have now. That works quite well.

•(1810)

**Ms. Tracey Ramsey:** This voice comes from a lot of different folks, who talk about expanding that list. I would encourage you to submit specifically to Global Affairs where you see that expansion going forward.

**Mr. Clyde Graham:** We'll do that, and we'll send it to the committee as well.

**Ms. Tracey Ramsey:** I appreciate that.

Mr. Runnalls, my last question is to you. I appreciate everything you've discussed and I think you heard our conversation earlier with Ms. Dey. I want to ask you about the value of a continent-wide carbon pricing system to ensure that there's fairness amongst our jurisdictions.

**Mr. David Runnalls:** That's sort of nirvana, isn't it?

**Ms. Tracey Ramsey:** Yes.

**Mr. David Runnalls:** It's not going to happen. It's certainly not going to happen in the near future. What is going to happen, however, is that the U.S. states are going to be more and more fractious on this issue. California is not going to back down from the western climate initiative and neither is New York, and there are others that are going to join. There's going to be a battle royal in the United States about carbon pricing.

The interesting thing to watch, and it doesn't seem to be going anywhere, is that the Republican establishment, Jim Baker and George Schultz, the former secretary of state—

**Ms. Tracey Ramsey:** Yes, we heard George Schultz when we were in California.

**Mr. David Runnalls:** —and a whole bunch of them, actually produced this proposal for a carbon tax of \$40 a ton. The deal is that they'll loosen up regulation on the energy industry and give all the money back to the citizens of the United States, so it's completely revenue-neutral. I thought that would get a lot more hearing than it has. I don't know whether it's just that Washington is such a mess at the moment that they can't concentrate.

**Ms. Tracey Ramsey:** We were really privileged when we were in California to hear Mr. Schultz in a speech, actually, that he gave to energy suppliers in the room. It was quite fantastic. Our chair was able to participate in a panel with him. We were quite fascinated by that conversation as well, so I thought I would introduce that.

**Mr. David Runnalls:** It would be interesting to see if anything happens with that. It would be a very good thing, but it's going to be a long time coming.

**Ms. Tracey Ramsey:** Lastly, I think you heard Ms. Dey talking about the fact that what we currently have in NAFTA in terms of the environmental side agreement is not binding and not enforceable, and you've given us some examples of how you feel that we could improve that. Is there anything else you would add to that in terms of improving it or putting some governance around what exists there to make sure, going forward—

**The Chair:** It has to be a short answer.

**Mr. David Runnalls:** Watch out for the race to the bottom, particularly in the case of the United States loosening and not enforcing environmental regulations as a deliberate way of

stimulating investment. That's illegal under NAFTA, but it's very elusive.

**Ms. Tracey Ramsey:** Thank you.

**The Chair:** Thank you, sir.

We're going to move back over to the Liberals. Madam Ludwig, you have the floor.

**Ms. Karen Ludwig:** Thank you.

My first question is actually to Mr. Dungate, regarding antibiotic use. Looking at the use of antibiotics, antibiotic resistance, and antibiotic residue, what is the reporting mechanism within your sector?

**Mr. Mike Dungate:** There are a couple of steps. In 2014, we eliminated any preventive use of category I antibiotics, most important to medicine. We made a decision in May of this year that by the end of 2018 we will eliminate category II, and our goal is to eliminate category III by the end of 2020. That's the process we're on.

We participate with CIPARS, under the Public Health Agency of Canada, and we do surveillance there on antimicrobial resistance. We also do it through our on-farm food safety auditing. We check usage and we check resistance in terms of tests they do on a randomized basis, and we compare the results of that with CIPARS.

**Ms. Karen Ludwig:** I'm quite curious about this. When we look at antimicrobial resistance and the regulatory regime around that, how does that compare with the United States and Mexico?

How far are we from harmonizing the standards?

**Mr. Mike Dungate:** Nothing is harmonized. We're moving ahead as an industry. There isn't a government regulation in place, in that sense. We're trying to move a whole industry. When we say there's no category I antibiotic use, it's across all production in Canada. In the United States, it will be done on a company-by-company basis, so they'll only affect what they do in their own company.

In neither country is there a government regulation in place at this point. There's talk about stewardship, and we're in line and participating in the government's antimicrobial resistance strategy. We've been in key committees in that, and we support the direction it's going.

Our point here overall is not "raised without antibiotics". We want to make sure we have efficacy of antibiotics, both for humans and for animals, and that we can treat when necessary, but we're not going to use, as I call it, a low dose from a preventive basis. We're only going to treat.



•(1815)

**Ms. Karen Ludwig:** I think it was not that long ago, it could have been in May, that the United Nations looked at antimicrobial resistance as one of the key areas to be focusing on.

Listening to you, Mr. Dunge, when you talked about the volume of imports of chicken from the United States, to me as a consumer, I think all of us in this room should be concerned about antimicrobial resistance across the board, whether it's in livestock, fish, or humans. I would hope that part of the negotiations would be looking at the harmonization and raising that standard across the board because it's not only our domestic production, but also in our export and also the expectation of Canadians on the import side.

**Mr. Mike Dunge:** We've talked about the marketing advantage over here. Some companies are taking a marketing advantage.

You can't raise 100% without antibiotics. That's an impossibility. Birds will get sick. Humans will get sick. Our point is not to use the ones of importance to human medicine and keep the efficacy for both humans and animals. That's our objective.

**Ms. Karen Ludwig:** Do I have more time?

**The Chair:** You talked about splitting it, but you have about a minute.

**Ms. Karen Ludwig:** Do you have a question, Sukh? Okay, you go ahead.

Thank you.

**Mr. Sukh Dhaliwal:** Mr. Graham, you mentioned professionals moving across both nations. I'm a professional engineer, as well as a land surveyor. I can do that, but if you are telling us that the professionals under your jurisdiction should be able to move freely,

wouldn't that be opening up Pandora's box, where every other field will be coming in saying their workers should be allowed. How would it negatively impact?

**Mr. Clyde Graham:** I think Canada, the United States, and Mexico have been living in an era where there is a degree of labour mobility at the more executive, professional, and skilled trades levels, which I think has been good. I think we'd like to protect that.

What we have now has not been negative in any way that I know. I think it allows Canadians to have the opportunity to have influence in the United States and potentially in Mexico as well. I think it allows Americans to come here and have a better understanding of Canada, which is beneficial.

Canada, I think, does extremely well. I know in our industry many Canadians are in CEO positions in the United States. They may have gone from visa to citizenship, but Canada has a tremendous influence in the U.S., and hence the global fertilizer industry because our executives and other professionals are very good and in demand.

**The Chair:** That wraps up our panel today.

Thank you to the witnesses for coming. We had a very good dialogue.

I also thank the MPs. This has been a week of very hard work. We got a lot done, and we almost went to 20 witnesses, even with the situation in Mexico. Job well done.

Remember, next week we're off to the United States. Bring your passports and have a good weekend.

The meeting is adjourned.

---





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>