

FPT Ministerial Report

Date: September 16, 2020
Title: Committee on Internal Trade (CIT) teleconference
Departments: Economic Development and Transportation

Minister Responsible for Trade, David Akeeagok represented by:

- Bernie MacIsaac, Deputy Minister. Supported by
 - Jonathan Alomoto, International and Internal Trade Officer

Background

Committee on Internal Trade (CIT) ministers meet twice a year to discuss FPT trade policy priorities and attempt to reach consensus on contentious issues if these arise during ongoing officials' trade negotiations. The September 16 CIT Meeting was chaired by the Honourable Dr. Andrew Furey, Premier (and Minister Responsible for Trade) of Newfoundland and Labrador.

1. Opening Remarks

The Committee on Internal Trade (CIT) Chair, the Honourable Dr. Andrew Furey, Premier of Newfoundland and Labrador welcomed the Ministers, noting that this was his first meeting as member of the CIT and as the CIT Chair. He remarked that this was a challenging year due to the pandemic but noted that internal trade work still managed to move forward. The Chair also invited the Federal Minister, the Honourable Dominic LeBlanc, to make a few remarks. Minister LeBlanc stated that the federal government is conscious of the need to remove federal barriers and work with all jurisdictions to make internal trade freer and fairer.

2. Approval of Agenda

The agenda was approved as amended to allow for Financial Services to be discussed after the Labour Mobility item.

3. Main Agenda Topics

Labour Mobility

The Forum of Labour Market Ministers' (FLMM) representatives presented their report on the FLMM's activities to identify and address impediments in Chapter Seven (Labour Mobility) of the Canadian Free Trade Agreement (CFTA) to the Committee on Internal Trade (CIT). The representatives indicated that, in response to a 2019 request from the Council of the Federation (COF), the FLMM's labour coordinating group undertook a comprehensive review of Chapter Seven. The report is being finalized and will be advanced to the FLMM for approval in the coming year. Manitoba noted that they have recently removed two labour mobility legitimate objectives and Alberta one. Parties were encouraged to review their legitimate objectives with the goal of eliminating such impediments to labour mobility where possible. Newfoundland and Labour pointed out that the current pandemic has highlighted the need for greater mobility.

Financial Services

The Chair of the Financial Services Working Group, Ontario, indicated that in drafting the financial services rules, officials have followed Premiers' direction from the July 2018 Council of Federation (COF) meeting, which was to ensure that Parties bring the financial services sector into the CFTA in a manner that offers each province and territory the same or better treatment as Canada offers its international trading partners. Ontario stated that officials have resolved most issues within the text. However, there are two substantive matters regarding the non-discrimination article and the application of person-to-government dispute resolution that Parties need to resolve in order to conclude negotiations. Once Parties reach a consensus on the two issues and subsequently resolve all other outstanding matters within the text, Parties can then move towards concluding the negotiations, and present a new chapter for the CIT to approve. Alberta noted they are willing to assist in finding a solution to the non-discrimination issue but also encouraged the federal government to take a fresh look at the issue. Minister LeBlanc stated the federal government is committed to working toward a compromise and would be happy to pursue a solution that would move the negotiations forward.

Regulatory Reconciliation and Cooperation Table (RCT)

Ministers were provided with an overview of the work of the RCT over the past year including status updates on certain 2019-2020 Work Plan items whose deadlines were adjusted as a result of the pandemic. It was noted that the RCT had now completed ten reconciliation agreements. Ministers were also presented with the RCT's 2020-2021 Work Plan, which included four new work plan items addressing: Energy Using and Energy Saving Products; Canadian Electrical Codes; Building Officials/Inspectors Certification/Licensing; and Personal Protective Equipment (PPE) Standards. Canada and Ontario expressed the desire to expedite the work on

developing and adopting PPE standards, considering the overwhelming need to produce PPE domestically. Alberta noted the importance of accelerating work to resolve the issue of federal meat inspection, which restricts the flow of meat interprovincially.

Cannabis for Non-Medical Purposes

Ministers were advised that Parties continued to engage in discussions to bring cannabis for non-medical purposes under the rules of the CFTA. The working group Chair, Newfoundland and Labrador, noted that the original July deadline to have completed this work was pushed back due to the pandemic. However, an initial exchange of offers (i.e. proposals for exceptions) was completed in August and the goal is to complete negotiations by the end of the year.

Annex 309: Electricity Transmission

On June 25, 2020, the Chair noted that Newfoundland and Labrador provided written notification to have the rules for electricity transmission enter into force. In accordance with Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), the rules will enter into force 90 days following the notification (on September 23, 2020). Currently, Parties are in the process of filing exceptions or amendments to their exceptions, as the Annex permits.

Alcoholic Beverages: Direct-to-Consumer (DTC)

The CIT Chair pointed out that this topic is one of key interest to stakeholders. The Co-chairs of the Direct-to-Consumer Technically Focused Working Group (DTCTFWG), Nova Scotia and Canada, provided ministers with an update on the efforts of the working group. The Co-chairs reported that the working group had concluded a DTC model is feasible. In June, the DTCTFWG presented its work to CIT Deputy Ministers including reporting on DTC feasibility, and received direction to continue to explore implementation considerations for the common carrier model. The Co-chairs also advised that as part of this work they will be reaching out to local and national carriers to complete a survey gauging interest and ability in the proposed system. Ministers were pleased with the progress made and await the outcome of the DTCTFWG's work to further explore the common carrier DTC model. The DTCTFWG will report back to Ministers in late Fall 2020 on the status of file and recommended path forward.

4. Approval of report to COF

Ministers approved the report to be sent to Premiers in advance of the next COF meeting in Québec City on September 24 and 25, 2020.

5. Round Table

Parties took time to emphasize those priorities they wish to develop over the next year, including cannabis for non-medical purposes, labour mobility, regulatory reconciliation and cooperation, reducing and narrowing Party-specific Exceptions, completing the draft financial services chapter, interprovincial trade in meat products, personal protective equipment standards, removing interprovincial trade barriers and the post-pandemic economic recovery.

Related FPT Activity

FPT meetings in which EDT is involved:

- FPT Internal Trade Representatives (ITR) meetings and working groups, (International and Internal Trade Officer as ITR, annual meetings, weekly teleconferences, and associated emails). ITR working groups include:
 - Financial Services Working Group
 - Trade in Alcoholic Beverages Working Group and Direct to Consumer (DTC) working Group
 - Trade in Cannabis Working Group
 - Procurement Working Groups (GN participation also includes the Senior Manager, Procurement CGS)
 - Forum of Labour Market Ministers' officials-level working group (participated on by the Director, Career Development, Department of Family Services)
- FPT Regulatory Reconciliation and Cooperation Table (RCT) meetings (International and Internal Trade Officer as RCT representative, annual meetings, monthly teleconferences and associated emails)
- FPT SCC Provincial Territorial Advisory Committee (PTAC) meetings, (International and Internal Trade Officer as PTAC representative, quarterly meetings, regular emails)
- FPT Committee on Regulatory Governance and Reform (CRGR) meetings (International and Internal Trade Officer, monthly meetings and regular emails)

Next Steps

The Chair, Premier Furey, thanked all for participating in the meeting, indicating he looks forward to continued progress on internal trade. A date has not been set for the next CIT meeting, but will be expected to take place in Spring 2021.

Attachments

Agenda
Press Release

COMMITTEE ON INTERNAL TRADE MINISTERS' CONFERENCE CALL
September 16, 2020
Noon to 1:30 pm (CST/Manitoba time)

AGENDA

1. Welcome and Introductions (NL)
2. Opening Remarks (NL)
3. Approval of Agenda (NL)
4. Labour Mobility - Forum of Labour Market Ministers (FLMM) (NL)
 - a. Presentation of ongoing work by FLMM
 - b. Submission of Annual Report on Chapter 7: Labour Mobility
5. Financial Services Update (ON)
6. Regulatory Reconciliation and Cooperation Update (RCT) (NL)
 - a. Presentation of RCT's 2020-21 Work Plan and overview of new work plan items
 - i. PPE; Electrical Codes; etc.
7. Cannabis Update (NL)
8. Update on Implementation of Annex 309 – Electricity Transmission (NL)
9. Alcohol: Direct-to-Consumer Update (NS/FG)
10. Approval of Report to COF (NL)
11. Round Table (All Parties)
12. Next Steps (NL)
13. Concluding Remarks
14. Adjournment



Ministers Meet to Discuss Ongoing Initiatives to Improve Internal Trade

NEWS

September 16, 2020

The Committee on Internal Trade (CIT) Chair, Premier Andrew Furey (NL), hosted a teleconference today for Ministers and senior officials representing federal, provincial and territorial governments responsible for the Canadian Free Trade Agreement (CFTA).

During the meeting, updates were provided regarding various CFTA initiatives including financial services, cannabis for non-medical purposes, and trade in alcohol. An update was also provided by the Forum of Labour Market Ministers with respect to the CFTA's Labour Mobility Chapter.

The new Regulatory Reconciliation and Cooperation Table (RCT) Work Plan for 2020-2021 was presented to Ministers. The work plan includes four new items and is available at the link below. The RCT reports that since developing its first annual work plan in 2018, there have been 10 reconciliation agreements completed covering 13 RCT work plan items.

The meeting also provided an opportunity for Ministers to assess how COVID-19 has affected current timelines and provide direction to officials in order to advance work.

QUOTES

“Premier Furey appreciated the commitment expressed by all Parties to the ongoing work to improve internal trade in Canada as it will help aid Canada’s economic recovery resulting from the COVID-19 pandemic.”

QUICK FACTS

- The CFTA establishes free trade rules that will apply across the Canadian economy. Rules will apply automatically to all economic activity unless something is specifically excluded.
- Internal trade represents about one-fifth of Canada’s annual GDP, or \$385 billion. It also accounts for almost 40 per cent of provincial and territorial exports.
- According to the Bank of Canada, removing interprovincial trade barriers could add up to two-tenths of a percentage point to Canada’s potential output annually. This is roughly comparable to the projected economic benefit from the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).
- The CFTA replaced the existing Agreement on Internal Trade (AIT) on July 1, 2017. The AIT has been in place since 1995.

ADDITIONAL RESOURCES

- [Read a full copy of the Canadian Free Trade Agreement](#)
- [RCT's 2020-2021 Work Plan](#)

Media Contacts:

Government of Newfoundland and Labrador