

September 14, 2018

Regulatory Review, Regulatory Affairs Sector
Treasury Board of Canada Secretariat
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Attention: Regulatory Modernization – Request for Stakeholder Comments

I. Introduction

As you know, the Canadian Federation of Independent Business (CFIB) is a non-partisan organization representing the interests of 110,000 small- and medium-sized businesses (SMEs) in Canada, including businesses in agri-food and aquaculture (agri-business), transportation and infrastructure (transportation), and health/biosciences. CFIB takes its direction from our members through regular surveys on a variety of issues, such as regulation, innovation and competitiveness. As experts in regulatory reform and red tape reduction, we are pleased to provide this submission with research-based insights and recommendations to the *Regulatory Modernization – Request for Stakeholder Comments*.

We support the Government of Canada’s Budget 2018 commitment “to make the Canadian regulatory system more agile, transparent and responsive so that businesses across the country can explore and act on new opportunities resulting in benefits for all Canadians.”

Canada was the first country in the world to introduce a one-for-one rule and it had broad support across the political spectrum. This rule is something to be proud of and to build on to meet the budget’s goal of “reduc[ing] the regulatory burden faced by businesses.” According to Treasury Board of Canada Secretariat (Treasury Board) estimates, the rule has already saved \$23.7 million from 2012 to 2015,¹ with respect to the rules to which it applies. We were pleased to see the ongoing commitment to the one-for-one rule in the new Cabinet Directive on Regulation (CDR). **Our first recommendation is to expand the one-for-one rule’s scope to include more departments and more government rules.**

Our second related recommendation is to **develop a simple measure (such as regulatory counts) and apply it broadly to assess how many rules there are in legislation, regulation, policy, and guidance documents.** There are many possible approaches that could be used to accomplish this. The three we recommend looking at include British Columbia’s regulatory requirements; Manitoba’s regulatory requirements (similar to B.C.’s approach, but broader); and the Mercatus Center’s regulatory

¹ <https://www.canada.ca/en/treasury-board-secretariat/services/federal-regulatory-management/2014-2015-scorecard-report.html#s3>

restrictions (similar to B.C.'s approach, but narrower in scope). **We further recommend setting a one-third reduction target with respect to this new measure, to be reached within a three year period.** This would be a terrific compliment to the existing one-for-one rule, as it would be a low-cost way to reduce and control the many small irritants that do not get captured in the existing one-for-one rule but nevertheless can impede growth and innovation.

Regular reports for the new measure, detailing rule counts by ministry and agency, and possibly by sector, should be published. This reporting would create a strong ongoing incentive for regulators to identify rules that are no longer needed or could be streamlined. It would also introduce a new level of transparency regarding in which areas the number of rules are increasing versus decreasing.

We were also pleased to see the Cabinet Directive on Regulation outline the importance of considering regulatory impacts on small business. To this end, **we recommend that the federal government expand and consistently apply a 'Small Business Lens' across regulatory areas, reflecting small businesses' ability to pay and capacity to comply.** This focus continues to be important because small businesses do not have the same capacity as larger firms to hire professionals, instead small business owners wear many hats, making additional regulatory requirements particularly burdensome.

Beyond the burden of the number of regulations, understanding what compliance looks like can be particularly difficult. For example, it is critical to understand that while outcome-based rules work well for many businesses, they can actually be more difficult for a small business. **We therefore recommend that a small business lens include making sure small businesses have the information, advice and tools they need to understand what compliance looks like.**

Another key step to improve the regulatory landscape for small businesses is the **development of a service culture among all government regulators, especially among public facing employees, like inspectors and auditors.** Issues with customer service are a frequent headache reported by business owners and add unnecessary frustration and time to complying with regulations. We expand upon the ways to improve service culture at the end of this submission, where we provide a list of all 25 recommendations.

With respect to this consultation, the Treasury Board is seeking input on how to meet the government's budget commitment. Our submission responds by answering the three specific consultation questions the Treasury Board put forward, as well as providing broader recommendations, such as the ones above. We have bolded our recommendations throughout this submission to make them easy to find. To provide sector-specific context we include survey findings and member comments for agriculture and transportation, as well as insights from members in the health/biosciences sector.²

Many business owners are skeptical that consultations like these will deliver results. We, however, are optimistic that there will be real changes as a result of this consultation. Governments often issue

²Note: Response sizes are too small to report survey results by the health/bioscience sector.

“What was Heard” reports. For business, “what was changed” is more important. In order to make change known and create accountability with respect to this process, **we recommend the Treasury Board create a “What Was Changed” report detailing the improvements made as a result of this consultation.**

II. Treasury Board Submission Questions

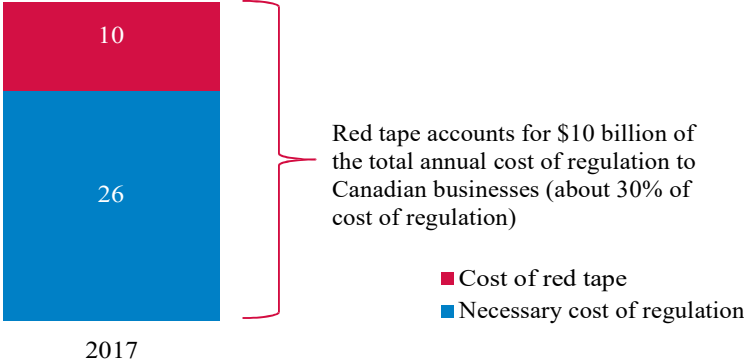
Treasury Board Question 1: In your view, are there existing regulatory requirements or practices that impede economic development, competitiveness, or growth for your firm or sector? What are their impacts? How should the Government address these irritants?

Yes, there are existing regulatory requirements that impede economic development, competitiveness and growth for Canada’s SMEs and they impose a significant impact on businesses.

Government regulation and paper burden is a top issue for SMEs. CFIB research estimates the overall government regulatory burden on Canadian businesses was \$36 billion in 2017.³ According to SMEs, many regulations are necessary and important. However, there is also red tape - unnecessary rules and excessive regulatory burden - that accounts for approximately 30 per cent of the total cost of regulation or around \$10 billion a year (see Figure 1). Based on this and what has been accomplished in other jurisdictions, **we recommend the government set an overall target of reducing government rules by one-third. The one-third target could initially apply to the sectors that are specifically targeted in this consultation.** A simple metric that could be used broadly would be preferred for this initiative (see recommendation on page one).

Figure 1:

Cost of red tape for Canadian businesses (in billion 2017 dollars)



Source: Calculations based on CFIB’s Regulation and Paperburden Survey, 2017, n = 7,823

A significant reduction in red tape would make a big difference for SMEs. Red tape is not just costly; it is also overwhelming, as expressed by one CFIB agri-business member, “*They keep adding more*

³CFIB, *Research Snapshot: The Cost of Government Regulation on Canadian Businesses*, January 2018.

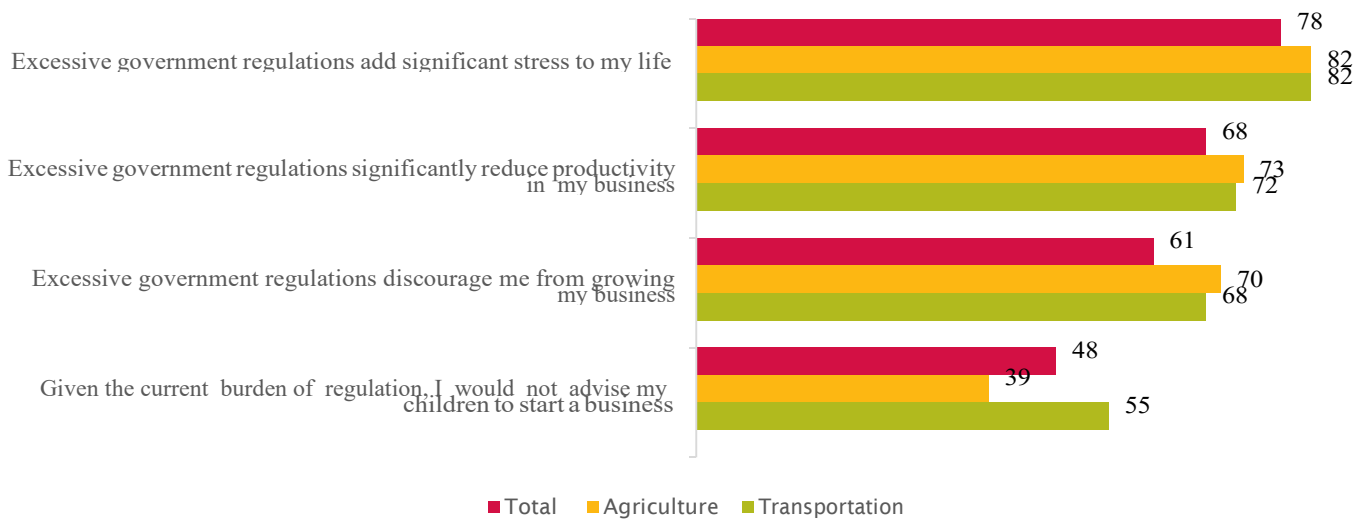
regulations... It's getting to be so much that sometimes [I] just feel like quitting." But, business owners cannot just quit; their life is invested in their business. As a result, the burden of red tape has far reaching impacts. Red tape causes significant stress (78%) to the already demanding lives of business owners who carry the weight of maintaining a successful operation for themselves, their family, employees, and their local community (see Figure 2).

Business owners also report excessive government regulations reduce productivity (68%) and discourage business growth (61%) (see Figure 2).

Entrepreneurialism is often passed down from one generation to the next, yet nearly half (48%) of business owners would not recommend their children start a business because of the current burden of regulation. This is particularly true for transportation businesses, with 55 per cent reporting they would not recommend their children start a business. In discussing their frustrations with red tape, one CFIB transportation member in Ontario emphasized his succession concerns and implications for the sector, *"Nobody is getting into trucking anymore and positions are very hard to fill now. The government needs to realize [the impact] in about five years when the majority of truck drivers retire. Every single type of business in this country needs trucks to receive and deliver their goods. The government needs to do something for this important industry right away, for the good of all businesses and every Canadian citizen!"*

Figure 2

Do you agree or disagree with the following statements? (% of response agree)



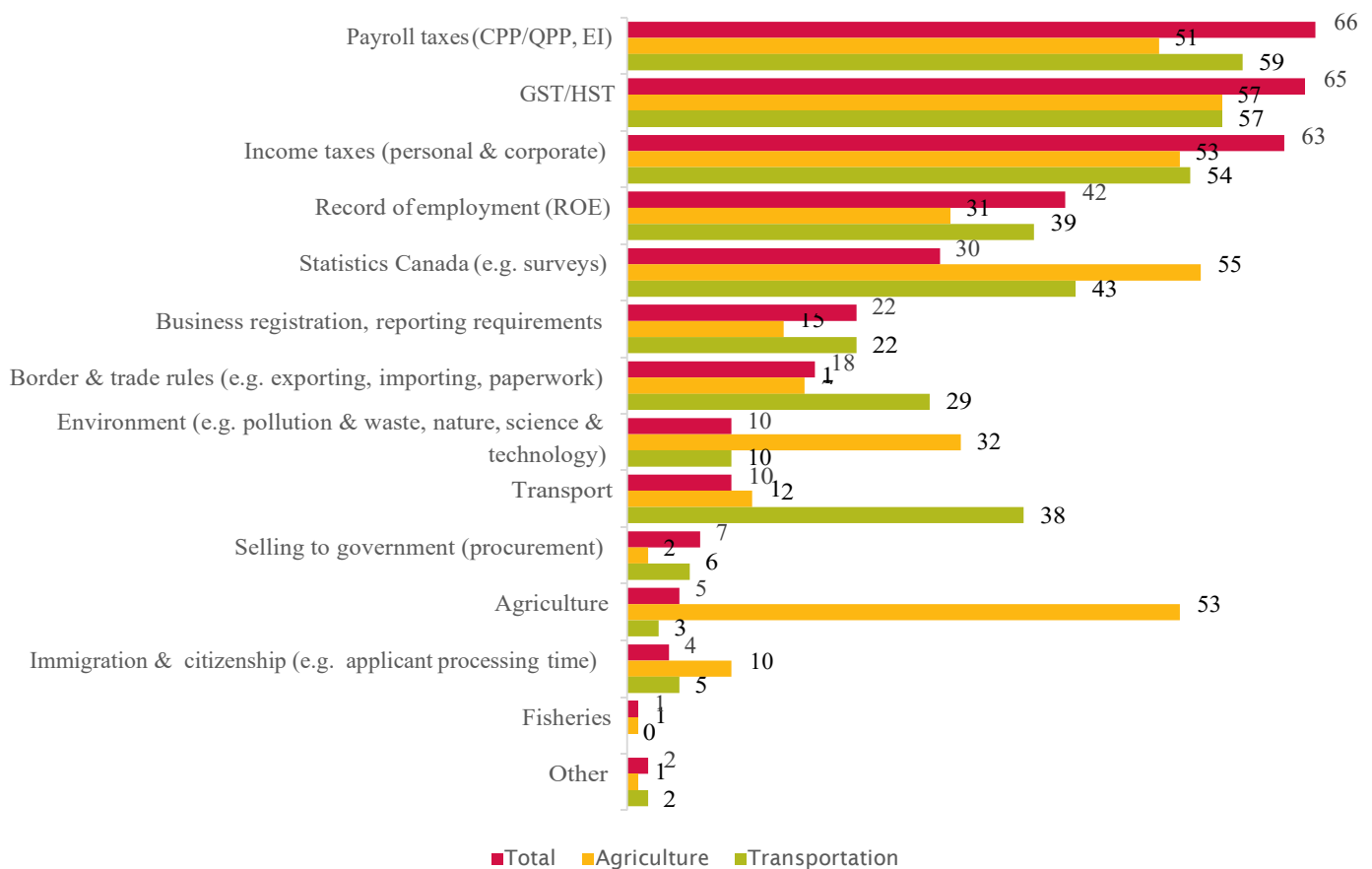
Source: CFIB, Regulation and Paperburden Survey, June – Sept 2017, n = 7,823.

Given that agriculture and transportation businesses are more likely to agree that they are impacted by red tape in various ways (see Figure 2), the Treasury Board is right to focus on these two sectors as a starting point to achieving the government's regulatory reduction agenda. Taking steps to improve their regulatory environment is crucial to ensuring farmers are competitive on the world stage and that Canadian transport, as well as health/bioscience businesses, can thrive.

There are government agencies and regulatory areas that are particularly burdensome for businesses and should therefore be a major focus for the Treasury Board's review. The federal regulations most businesses say are their top burden are payroll taxes (66%), GST/HST (65%), and income taxes (63%) (see Figure 3). A lot of headway that can be made by addressing red tape from the Canada Revenue Agency (CRA). **CFIB recommends that the CRA continue to improve its service to small businesses and expand its Liaison Officer Service to allow all small business owners, including incorporated businesses, to have the ability to request free in person help to understand and meet their tax obligations. CRA should also continue to make efforts to improve its communications with business owners by ensuring that information on the website and in letters is written in plain and helpful language. Efforts to help business owners understand their tax obligations, such as the Industry Campaign Approach, should be expanded as well.** These initiatives are not only important in helping to reduce red tape and stress for business owners, but also increase compliance.

Figure 3

Which federal government regulations are most burdensome to your business in terms of time and money spent on compliance? (% of response)



Source: CFIB, Regulation and Paperburden Survey, June – Sept 2017, n = 7,823.

Looking specifically at regulatory areas that are of particular burden for agriculture and transportation, Statistics Canada stands out (55% and 43%, respectively) (see Figure 3). One agri-business member from British Columbia described her frustration with the number of surveys and tone of customer service from Statistics Canada: *“I have filled out five or six census surveys in 2016, which all come with a threatening letter and/or phone call. Some of the surveys seem like duplication.”* **While Statistics Canada has made some improvements in terms of moving surveys online, CFIB recommends Statistics Canada reduce its number of surveys, review the language it uses in its correspondence with business owners and have blackouts on surveying during peak periods. Farmers, for example, should never be required to fill out surveys during seeding or harvesting.** We frequently get comments on how disrespectful it is to receive surveys during this time, as it does not reflect the reality of working on a farm.

AGRICULTURE

Digging a little deeper, it is not surprising that agricultural regulations are much more burdensome for agri-businesses (53%) (see Figure 3). **CFIB recommends the Treasury Board work with the Ministry of Agriculture and Agri-Food to look at ways of easing the burden of sector-specific regulations, such as business risk management programs.** Business Risk Management (BRM) tools are a last resort, but when producers need them they have to work. **CFIB agri-business members have consistently called for more responsive, transparent, accessible, predictable, and timely BRM programs.**⁴ A CFIB agri-business member in B.C. raised specific concerns about BRM programs: *“I don't think the programs will actually trigger any money for our business. The programs are very complicated - it takes a professional to understand them. If payments do come, they are very slow (years after). Why not just get government out of the picture altogether and simply lower our taxes and reduce red tape.”*

Within the category of agricultural regulations is the Canadian Food Inspection Agency (CFIA), which our members are consistently frustrated with, despite well intentioned initiatives to improve its service. With the implementation of the *Safe Food for Canadians Regulations (SFCR)* a lot of changes are coming from the Agency. **CFIB recommends that, in order for the CFIA to successfully implement an outcome-based approach under the SFCR, it offer much stronger supportive customer service and create a service culture among inspectors.** Businesses with annual gross sales of \$100,000 or less are exempt from having to write the new Preventive Control Plans (PCPs), under the new SFCR. While pleased the exemption threshold has gone up from the original \$30,000, **we continue to call for the Agency to increase this threshold for micro-businesses to include those with less than 5 employees or with less than \$250,000 in annual gross food revenue.**

Environmental regulations are also more likely to be burdensome to agri-businesses (32%) (see Figure 3). A CFIB member in Ontario highlighted his frustration with environmental regulations, *“The environmental rules are the worst because they don't require any scientific proof of negative impact to justify massive expenditures to comply with them.”* **Consistent with the CDR, regulations should be**

⁴ CFIB will be surveying its agri-business members in late 2018 and will report back any updated feedback related to BRM programs.

scientifically based. Furthermore, we recommend that an evidence-based evaluation should be built into creating regulations, and analysis be conducted to measure whether regulations have made a measurable difference. Environmental regulations should not be in place for appearances or to fund unproven and unrelated initiatives, there needs to be a true environmental benefit to the regulations.

It's easy to think that, in order to protect the environment, we need to have more laws and taxes. But CFIB's research⁵ shows that SMEs are already taking responsibility to protect the environment because they personally believe in this approach. The best way for governments to help small businesses 'go green' is to provide them with information, tools, and resources tailored to their reality to ensure they can continue investing in both their business and the environment. Cost can often be a barrier for small businesses looking to become greener, therefore the government should consider measures that help offset the initial costs of investing in green technologies or equipment. For example, introducing a permanent initiative to allow businesses to claim up to \$100,000 per year spent on new equipment or technology, in the year of purchase, would help business owners upgrade their equipment to more environmentally-friendly options.

Another regulatory area more likely to be an issue for agri-businesses is immigration and citizenship (10%) (see Figure 3). Many Canadians are not eager to do manual labour, for this reason many agri-businesses must look to temporary foreign workers to fill the serious shortage of willing labour. One agri-business member in Alberta told CFIB she is concerned that the "*federal government has still not fully reinstated the Temporary Foreign Worker Program and the ability to have workers transition to landed immigrant status.*" **CFIB would like to see a long-term solution to keep business owners out of the TFWP red tape maze; our recommendation is the Introduction to Canada Visa,⁶ which would give foreign workers of all skill levels, including entry-level, the opportunity to work with an employer for two years as a defined step towards permanent residency.**

Not only do agri-business owners complain that it is difficult to access the Temporary Foreign Worker Program, but they are also concerned with an increase in the number of integrity audits. We have heard concerns from agri-business members who have had auditors show up during their peak periods (seeding, haying or harvest) and without an understanding of biosecurity standards (ways to manage and minimize the spread of disease or infection within or between farms). **CFIB recommends limiting audits during peak periods, not restricting access to the TFWP during an audit, providing auditors with biosecurity training, and not allowing auditors to enter a private home without permission.** Audits during peak periods can have a hugely detrimental impact on agri-businesses who need all hands on deck during seeding, calving and harvest. **We also recommend that auditing should be risk-based, so that those businesses with a proven record receive fewer audits.**

⁵ CFIB, 2017, *Green Growth: How SMEs are working toward a greener future* <<https://www.cfib-fcei.ca/en/media/cfib-environment-report-independent-businesses-already-taking-action-grow-greener>>

⁶ CFIB, 2016, *CFIB proposes path to permanent residency to replace Temporary Foreign Worker Program* <https://www.cfib-fcei.ca/en/media/cfib-proposes-path-permanent-residency-replace-temporary-foreign-worker-program>

In the agri-food sector, differing regulations and standards between jurisdictions often make it difficult for agri-business owners to sell their products to consumers and retailers across the country. For example, in some cases, retailers may find it easier to bring in meat products from a different country than from a neighbouring province. Any meat products that are transported between provinces must be inspected in a federally-registered plant. Facilities that are registered or licensed provincially are only allowed to ship within that province, as the regulations and inspections differ between jurisdictions. Most small meat processors, from butcher shops to sausage makers, are provincially regulated and are therefore unable to sell their products across Canada unless they become federally-registered.

On this front, CFIB is hopeful the new internal trade deal, the Canadian Free Trade Agreement (CFTA), that aims to remove trade barriers within Canada and is committed to reconciling regulations that are needless barriers in areas such as meat processing and trucking, will make a difference. The importance of the CFTA cannot be understated. **The federal government has a leadership role in keeping this trade agreement a priority, particularly in ensuring the RCT make progress on resolving specific irritants.**

As governments move forward in addressing regulatory barriers between jurisdictions, we recommend the following be among the first addressed through the Regulatory Reconciliation and Cooperation Table (RCT): **mutually recognize food inspections and regulations in other jurisdictions in order to enable Canadian consumers and retailers to more easily access products produced within Canada.** To be clear, we are not asking for more rules by having CFIA regulate all agri-food businesses. If a food product is deemed safe to consume in one province, it should be considered safe to consume in another.

We would also like to see the RCT include a common corporate registry and broaden mutual recognition of trade and professional certifications.

TRANSPORTATION

Like with agriculture, transportation businesses are more likely to say their sector-specific regulations are burdensome (38%) (see Figure 3). One of our Alberta members in the transportation sector described it the following way: *“Department of Transportation audits are ridiculous. I don't mind the vehicle inspections and corrections if need be, but the paperwork is such a waste, having all the paperwork in the exact order they want doesn't make my vehicles safer. It is ... all about liability not safety, we spend more time and money on paperwork than keeping our business safe.”*

Transportation businesses, in particular, face differing transport rules across provincial and federal boundaries, which compound the regulatory burden placed on truckers. For this reason, the CFTA is an especially important opportunity to align transport regulations across federal and provincial levels. Even small regulatory differences can cause big headaches for small businesses. For example, when trucking a “wide-load” from Alberta into Saskatchewan, truck drivers have to stop at the Saskatchewan border to replace their Alberta wide-load sign for one that is compliant with the Saskatchewan regulations. Not only does this delay the shipment, but having to stop the truck wastes additional fuel

and it is a safety risk for truckers who have to get out of their trucks along busy highways. The costs of dealing with paperwork and varying regulations related to transportation are often passed on to small businesses in other sectors and consumers. **CFIB recommends that the Treasury Board work with Transport Canada and provincial counterparts to streamline regulations and paperwork, thereby easing the burden of conducting business across Canada. Specifically, we would like to see the RCT include aligning regulations for wide-load transportation to address examples such as the one above, ensuring mutual recognition of single-trip commercial vehicle registration, and standardizing the carrier profile, which is similar to a report card rating for companies.**

Border and trade rules are also significantly more burdensome to transportation businesses (29%) (see Figure 3). Canada's SMEs are at the centre of cross-border trade and their experience at the border is critical to the health of our import and export markets. Small business owners face significant uncertainties when importing products, as they are never sure which shipments may be pulled for inspections or how long inspections may take. Many CFIB members have expressed frustrations over the costs of having goods stored in private warehouses for extended periods of time, such as over a weekend, when they are pulled for inspection. One member was beyond frustration when they imported exotic plants and during transport to Canada these plants grew roots, which meant they were no longer allowed for sale in Canada. Despite finding an American buyer, the Canada Border Services Agency (CBSA) would not release the plants for sale and the owner was out around \$50,000. **CFIB encourages the CBSA to improve their customer service and reduce red tape at the border. In particular, the Agency must work to eliminate inconsistencies that business owners experience between CBSA officials. The CBSA should also ensure all border inspectors have mandatory customer service standards, such as reasonable timeframes for inspections. We recommend inspections be completed within an hour for perishable goods, and no longer than one day for non-perishable goods. These standards should be applied to weekends and holidays.**

HEALTH AND BIOSCIENCES

Looking to small businesses in the health/biosciences sectors, business owners often express frustrations regarding Workplace Hazardous Materials Information System (WHMIS) 2015 regulation's Material Safety Data Sheets (MSDS). These regulations could be done in a more effective way, but instead add significant unnecessary red tape and costs. One member who owns an industrial supply company was told that under the new WHMIS 2015 regulations he must provide paper copies of MSDS sheets to his customers who purchase hazardous supplies from them and is concerned about the impact that this will have on his small business. His business does not have the infrastructure to print documents that can be up to 50 pages long for every transaction. Every time he sells a product he must prove he has given the customer the most up to date MSDS. On top of this, the onus is placed on the business owner to correct any errors on the MSDS, which can be very difficult and time consuming. Although programs are available to assist and track MSDS sheets, they are very costly.

These rules have been created without considering the real life implications on small business. Making every supplier, distributor, and end user have a separate copy of the document vastly increases the risk of the MSDS becoming out of date when changes to the product are made. **Instead, the**

government should maintain a current central database of MSDS online, and make it available to small business owners to share, as an alternative to the dated costly printing scheme that is currently mandated. Through Health Canada, the government has access to information needed to keep the database updated, as they receive the details when products are approved for sale in Canada.

Treasury Board Question 2: Are there existing or emerging technologies, processes, or products in your firm or sector facing barriers because of federal regulations? What changes or tools should the Government consider to facilitate the development, integration, or approval of these technologies, processes, or products for Canadians?

There are two main issues when looking at barriers to new and emerging technologies and products:

One barrier is excessive regulation currently in place, preventing Canadian businesses from developing new technologies, business models and products, or offering new innovations that are available outside Canada. An Ontario agri-business member expressed the lack of timeliness within CFIA's approval system: *"[the] timeline for registration approval of products and labeling by CFIA ranges from 24-36 months compared to 3-6 months for the FDA in the U.S. It is a huge impediment to introducing new agricultural feed and fertilizer products in Canada."* To address this, **CFIB recommends the government significantly reduce approval times impacting innovation, to meet or beat those in the U.S., including for technology and product approvals by Health Canada and CFIA. We further recommend setting and publishing concrete timelines for approvals, and publishing how often these standards are met.** This is particularly important in the agriculture sector and health/biosciences, as new crop varieties and technologies help ensure these businesses are competitive at a global level.

In the health and medical devices sector, the Medical Device Single Audit Program (MDSAP) that is overseen by Health Canada, has caused significant concerns for small businesses looking to get new products on the market. Though in other countries the MDSAP is still optional, in Canada, as of January 1, 2019, it will be mandatory for any business looking to sell medical devices that are Class 2 or higher. While small business owners are supportive of checks and balances to ensure product safety, the costs and red tape associated with the audit process are prohibitive. Not only can the cost of an MDSAP audit reach up to \$50,000 per year, but the length of time to complete an audit is now four to five days. It previously took a day or day and a half to complete an audit under ISO 13485 (the standard still used by most other countries). As a result of this additional cost and red tape burden, small innovative companies will be locked out of the market and patients may not be able to access potentially beneficial products. **As such, CFIB recommends that the government maintain the ISO 13485 standard and delay making the MDSAP mandatory until sufficient notice has been given to businesses and nearby competing countries also transition to these new standards.** Making MDSAP mandatory before other countries, particularly the United States, will make Canadian businesses less competitive, due to cost and additional paperwork.

The second barrier is a lack of regulation for emerging sectors. There are some new technologies and emerging sectors, including driverless cars and marijuana legalization that are less regulated. The

challenge here is providing rules that are needed while creating a landscape that fosters innovation and does not over-regulate. **CFIB recommends that while new sectors may need some basic rules to govern operations, the rules should be kept simple, clear and outcome-based.**⁷ Too often, governments examine a new area where regulation is needed and quickly expand the mandate to include every moving part. Choose the most important aspects to regulate and then do them well. Leave the rest alone.

While the need to streamline and coordinate the regulatory landscape between levels of government and across departments was outlined above, it is important to highlight the need for a cross-jurisdictional approach when it comes to regulating emerging sectors. **CFIB recommends that relevant government jurisdictions work together to ensure consistency in their regulatory approach for emerging sectors, which will make it a lot easier for new and emerging sectors to compete. Our preference in this regard is usually mutual recognition agreements over harmonization, although there may be some exceptions to this approach.**

Treasury Board Question 3: Do you see opportunities for regulatory experimentation in your sector, and if so, what would this look like?

There is always room for regulatory experimentation if it means making Canada's regulatory system work better for SMEs. We offer two recommendations below that could be considered regulatory experimentation, as they are new approaches to improving the regulatory landscape.

CFIB recommends that the federal government create a permanent “red tape” button on its homepage for business owners and the public to report red tape irritants big and small. Currently, when you have a problem with a government system, regulation or form it is very difficult to know where to go.

Suggestions could include anything from a broken web link on a government web page to a review of a policy that is no longer relevant. This button would create an easier way for business owners to communicate their red tape headaches. This simple tool would have three key benefits – 1) Reducing citizen frustration by providing people a place to go with respect to their the regulatory irritants; 2) Providing an ongoing stream of specific examples for modernizing government rules and improving service; and 3) Better connecting citizens with the government departments and agencies that serve them.

To be a success, this program needs to be a government priority that is championed by a minister with the clout to solve problems across government. The government should set service standards for the function, including an immediate receipt response and timelines to respond to concerns. The tool should be well publicized, easy to use, and its outcomes published for transparency. This is how a

⁷Note: In some other areas we recommend supplementing outcome-based rules with more details around what would constitute compliance. However, when it comes to emerging technologies a strong outcome-based set of rules makes the most sense.

private business would work to serve its customers in 2018, and is how the government should be thinking when looking to improve service. British Columbia used this approach when it first introduced its Red Tape Reduction Day. This initiative's success in soliciting examples, and the transparency and responsiveness with respect to communication are worth looking at. Another model worth considering is Nova Scotia's Business Navigator program, which could work well with a red tape tool.

CFIB also recommends the government create a Minister Responsible for Regulatory Transparency, Innovation and Service Modernization. The creation of this portfolio would build greater accountability and make regulatory modernization a political priority. The Minister would be responsible for working across government to make regulatory reduction a priority and manage the functions described above.

III. RECOMMENDATIONS

Conclusion and Summary of CFIB Recommendations

CFIB is hopeful the Treasury Board will reach its objectives and that the regulatory system will better reflect the realities of Canada's SME community, particularly those in agri-food and aquaculture, transportation, and health/biosciences. Thank you again for providing CFIB the opportunity to share our members' views, concerns and recommendations during this consultation process. We trust you will find this information helpful.

Below, we provide a summary of our recommendations that will help the Treasury Board reach its objectives, as outlined in the above submission. The list below includes a mix of potential quick wins and deeper structural recommendations.

1. Expand the scope of the one-for-one rule to include more departments and more government rules.
2. Develop a simple measure (such as regulatory counts) and apply it broadly to assess how many rules there are in legislation, regulation, policy, and guidance documents.
3. Set an overall target of reducing government rules by one-third (with respect to the new measure), to be reached within a three year period.
4. Regularly publish reports for the new measure detailing rule counts by ministry, agency, and possibly by sector.
5. Expand and consistently apply a 'Small Business Lens' across regulatory areas, reflecting small businesses' ability to pay and capacity to comply.
6. Ensure the 'Small Business Lens' includes making sure small business owners have the information, advice and tools they need to understand what compliance looks like.

7. Develop a service culture among all government regulators, especially among public facing employees, like inspectors and auditors. Issues with customer service are a frequent headache reported by business owners, as expressed by one Ontario member in the transportation sector, *“When dealing with inspectors, the recurring problem we face is inspectors bringing their personal preferences as to best practices and making it a requirement rather than presenting the regulations and showing how they can be complied with. Government should be there to help, not to prosecute.”*

Some ways the government can improve its service culture:

- Start interactions with business owners from the position that the business wants to be compliant. Honest mistakes should not be treated the same as deliberate non-compliance.
 - Set, publish, and fulfill customer service standards for response times.
 - Provide responses in writing.
 - Communicate using plain and helpful language.
 - Ensure businesses have an avenue to communicate with the government directly, and make it easy to find the right person to talk to.
 - Improve training for inspectors and staff to ensure consistent responses, rulings and communication. Lack of consistency is an ongoing headache for business owners, as described by one Ontario member in transportation, *“I can call the same department three times with the same question and get three completely different answers. Needless to say, the experience always leaves me frustrated.”*
 - Find ways to overcome institutionalized hindrances to customer service. For example, where inspectors and auditors are not able to provide additional information, have them share a direct agency contact to obtain clarity on rules and rulings. Business owners feel that *“no one cares about [us] or wants to help”* (Ontario member, Transportation). The CFIA recently introduced this type of initiative with *Ask CFIA*, as has the CRA with the Industry Campaign Approach. Still, a wider cultural change is needed outside of these new initiatives to ensure businesses feel a cultural service change on the ground. Meaning, these initiatives, while innovative and helpful, do not replace the need for better service from inspectors and auditors and other front-line staff.
8. Create a “What Was Changed” report detailing the changes made as a result of this consultation.
9. The Canada Revenue Agency should continue to improve its service to small businesses (e.g. using plain and helpful language in letters and on its website), and expand its Industry Campaign Approach and Liaison Officer Service.
10. Statistics Canada should minimize its response burden by reducing the number of surveys, establishing a blackout of surveys during peak business periods (e.g. seeding and harvest), and also improve the language used in its correspondence with business owners. It should also let businesses know how long surveys will take before they start filling out the survey.

11. The Ministry of Agriculture and Agri-Food should ease the burden of agriculture regulations, including reducing the administrative burden of business risk management programs and make them more responsive, transparent, accessible, predictable, and timely.
12. The Canadian Food Inspection Agency, in moving to an outcome-based regulatory environment, must offer much stronger customer service and create a service culture among inspectors. It should also increase the Preventive Control Plan exemption threshold for micro-businesses to include those with less than 5 employees or with \$250,000 in annual gross food revenue.
13. Consistent with the CDR, environmental regulations should be scientifically based. Evidence-based evaluations should be built into creating regulations, and analysis conducted to measure whether regulations are creating a measurable difference.
14. The government should implement the Introduction to Canada Visa, which would give foreign workers of all skill levels, including entry-level, the opportunity to work with an employer for two years as a defined step towards permanent residency.
15. The government should limit audits of the TFWP during peak periods, not restrict access to the TFWP during an audit, provide auditors with biosecurity training, and not allow auditors to enter a private home without permission. Auditing should be risk-based, so that those businesses with a proven record receive fewer audits.
16. The federal government has a leadership role in keeping the Canadian Free Trade Agreement a priority, particularly in ensuring the Regulatory Reconciliation and Cooperation Table (RCT) makes progress on resolving specific irritants, including mutually recognizing food inspections and regulations across provincial jurisdictions, creating a common corporate registry, and broadening mutual recognition of trade and professional certifications.
17. Transport Canada and provincial counterparts should streamline regulations and paperwork to ease the burden of conducting business across Canada. To this effect, the RCT should also include the following: align the regulations for wide-load transportation, ensure mutual recognition of single-trip commercial vehicle registration, standardize the carrier profile (which is similar to a report card rating for companies), and have one single-trip fuel permit.
18. The Canada Border Services Agency (CBSA) should improve their customer service and reduce red tape at the border. In particular, the Agency must work to eliminate inconsistencies that business owners experience between CBSA officials. The CBSA should also ensure all border inspectors have mandatory customer service standards, such as reasonable timeframes for inspections. Inspections should be completed within an hour for perishable goods, and no longer than one day for non-perishable goods. These standards should be applied to weekends and holidays.

19. The government should maintain a current central database of Material Safety Data Sheets online, and make it available to small business owners to share, as an alternative to the dated costly printing scheme that is currently mandated under the Workplace Hazardous Materials Information System 2015 regulations.
20. The government should significantly reduce approval times impacting innovation to meet or beat those in the U.S., including for technology and product approvals by Health Canada and CFIA. The government should also set and publish concrete timelines for approvals, and publish how often these standards are met.
21. The government should maintain the ISO 13485 standard and delay making the Medical Device Single Audit Program mandatory until sufficient notice has been given to businesses and nearby competing countries also transition to these new standards.
22. While emerging sectors may need some basic rules to govern operations, the rules should be kept simple, clear and outcome-based.
23. Relevant government jurisdictions must work together to ensure consistency in their regulatory approach for emerging sectors, which will make it easier for new and emerging sectors to compete. Mutual recognition agreements are preferred over harmonization, although there may be some exceptions to this approach.
24. Create a permanent suggestion box on the federal government's homepage for business owners and the public to report aspects of governance that need to be addressed, regulations that need modernizing, as well as specific irritants.
25. Appoint a Minister Responsible for Regulatory Transparency, Innovation and Service Modernization.

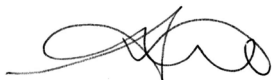
Sincerely,



Laura Jones
Executive Vice-President and
Chief Strategic Officer



Corinne Pohlmann
Senior Vice-President
National Affairs & Partnerships



Mandy D'Autremont
Director, Market Intelligence and
Agri-business