



**Canadian American Business Council**  
**Submission to the FINA Committee Pre-Budget Consultation**

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Standing Committee on Finance  
House of Commons  
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**List of Recommendations:**

**Recommendation 1:** That the government provide funding for a commerce resumption program to deliver needed supplies and maintain business continuity.

**Recommendation 2:** That the government of Canada continue work to address regulatory barriers that currently exist between Canada and the U.S.

Dear Members of the Committee,

Established in 1987, the Canadian American Business Council is a non-profit, non-partisan, issues-oriented organization that is dedicated to elevating the private sector perspective on issues that affect our two nations, Canada and the United States.

Our members are key business leaders and stakeholders from both sides of the border, ranging from entrepreneurs to best name brands in the world. Collectively, CABC members employ approximately two million people and have annual revenues of close to \$1.5 trillion.

The Canada/U.S. relationship is unique, as our geographic proximity results in the longest unprotected border on earth. Our mutually beneficial commercial ties have given rise to deep economic integration—and tremendous economic prosperity. Our bilateral relationship is a model for the world.

In this extraordinary time, it is essential that our nations work together to restore the efficient, effective and secure flow of goods and people across the border. As the leading Canada/US business association focuses on the prosperity of the relationship, we write to you today to provide policy recommendations for consideration in Canada's 2020 Budget. Taken together, these recommendations will bolster the federal government's efforts to restart the Canadian economy as it recovers from the COVID-19 pandemic.

## **Recommendation 1: That the government provide funding for a commerce resumption program to deliver needed supplies and maintain business continuity.**

### **The Problem**

Canada and the U.S. are working hard to address the COVID-19 public health crisis. During crises such as COVID-19 and in the subsequent recovery phase, it is critical that commerce, trade and essential business travel continue across the border in order to deliver needed supplies and maintain business continuity.

CABC member companies were surveyed during the week of March 19 as to what the closure of the Canada/US border would mean for the supply chain and for their business operations. The results were clear: the efficient, effective and secure flow of goods and people across the border is critical to the livelihoods of millions of Canadians and Americans, and integral to the health of our two economies.

The Government of Canada supports this position and yet, the implementation of new policy at the border has resulted in increasing confusion as to the definition of an "essential" worker, thereby limiting travel between Canada and the U.S. Businesses on both sides of the border require clarity as to if or when their personnel will be permitted to travel across the border. While commercial cargo carriers have been provided with concise direction, many others have not.

Further, while business travel is essential to the continuity of business operations and trade, it raises implicit risk for the individuals traveling and the communities to which those individuals are traveling to.

### The Solution

The CABC, with support from member company U.Group, is seeking \$5M in funding to create and launch an innovative “essential business reason” verification application. The new application, deployed at all Canada-U.S. border crossings, would aide in determining the viability and applicability of business travel, while supporting individuals in safely participating in the reopening of the economy.

Key elements of the solution:

- A dedicated mobile-first application through which businesses could apply to certify a specific employee has an “essential business reason” to cross the border.
- Through the app, businesses would also be able to certify that the traveling employee has tested negative for COVID-19 within the last 24 hours and agrees to abide by certain terms and conditions outlined by the Government of Canada (e.g. mask wearing, downloading the Government of Canada’s COVID Alert app).
- An AI/ML enabled prediction engine to forecast for businesses who will be allowed to cross and who will be turned away.
- Near-real time crawling of Open Source Intelligence (OSINT) and application of a risk scoring algorithm to validate the legitimacy of a business applicant.

This automated process will decrease human contact at border crossings; thereby protecting CBP officials and commercial travelers. Along with the forecasting capabilities, it will also reduce uncertainty for businesses and ensure essential commerce, trade and business travel can resume.

The \$5M budget request would cover development of the application, deployment and testing at all Canada-U.S. border crossings, technical support and hosting for 1 year.

U.Group specializes in driving actionable insights to our partners in the public safety and business communities by enabling event-based pattern-of-life analysis and enhanced situational awareness. Currently, U.Group is enabling partners to proactively monitor and score the risk of COVID-19 exposure across their facilities and down their supply chain in real-time, so they have a wider range of mitigation actions they can employ before crisis strikes. U.Group already provides technical support to key US government agencies who would ultimately be responsibility for standing up an “Essential Business Traveler” program.

## **Recommendation 2: That the government of Canada continue work to address regulatory barriers that currently exist between Canada and the U.S.**

### **Background**

One of CABC's primary missions is to ensure both countries collaborate to reduce regulatory differences between Canada and the U.S. so to promote the easy flow of goods and services in our integrated economies. The CABC has regularly called on the U.S. and Canada to join forces in promoting their mutual interests and work with internationally accepted principals of standardization.

Approximately ten percent of standards between Canada and the U.S. are currently harmonized, yet the U.S. Department of Commerce has estimated that standards conformity has an impact on more than 80 percent of global commodity trade and can cost companies billions of dollars every year. CABC has and continues to call on Canada and the U.S. to work together to promote their mutual interest by voluntarily aligning existing standards.

One current example includes Health Canada's Food Directorate which is scheduled to launch a public consultation on Supplemented Foods in Fall 2020 – as confirmed in their *Forward Regulatory Plan 2019-2021: Modernize food regulations to enable innovative and safe foods for Canadians*. The food and beverage industry has worked with Health Canada since 2011 in an effort to bring Canada's regulations on *Temporary Marketing Authorization Letters (TMALs)* in line with other G7 regulations, including which products are required to navigate this process, such as Supplemented Foods and Caffeinated Energy Drinks.

We urge the government of Canada to continue to make regulatory certainty a priority and bring predictability to businesses.