# Chambers of the Federation

An Agenda for Economic Growth and Stability

### **PURPOSE**

The **Chambers of Federation** Policy Framework reflects a collaborative effort among provincial and territorial chambers of commerce to address shared challenges and unlock opportunities that benefit all Canadians.

With geopolitical tensions, trade disruptions, and global economic shifts intensifying, Canada must act decisively to strengthen national sovereignty, secure supply chains, and enhance competitiveness. This submission outlines immediate and longer-term priorities to drive trade, investment, and economic self-reliance, ensuring Canada remains a leader in an evolving global landscape.

This is a pivotal moment - one where bold provincial and territorial leadership can remove internal barriers, fortify critical industries, and position Canada for sustained prosperity. This joint submission offers a united vision and actionable recommendations for consideration by the Council of the Federation, aimed at driving economic growth and trade competitiveness across the country.

# POLICY RECOMMENDATIONS: BUSINESS AND TRADE COMPETITIVENESS

Provinces and territories have a unique opportunity to drive long-term economic growth by strengthening domestic trade, investment, and workforce mobility. While U.S.-imposed tariffs and global uncertainty present challenges, they also highlight the need for bold action to build a more competitive economy with a strengths-based approach. By removing internal trade barriers, streamlining regulations, and expanding labour mobility, Canada can unlock new economic opportunities across regions. Strategic investments in infrastructure and supply chain resilience will not only safeguard against external disruptions but also position Canada as a leader in trade and investment for the future.

The following recommendations address the Council's key priorities, reflecting shared priorities from provincial and territorial chambers of commerce.

#### Key Recommendations

#### 1. Remove Barriers to Interprovincial Trade and Labour Mobility

Commit to further strengthening the Canadian Free Trade Agreement (CFTA) by expanding regulatory harmonization and removing remaining protectionist barriers. Recent progress, including CFTA amendments and ongoing work at the Regulatory Reconciliation and Cooperation Table (RCT), demonstrates momentum toward a more seamless internal market. Provinces should build on this momentum by committing to a national strategy, rather than fragmented regional agreements, to fully integrate interprovincial trade and labour mobility across Canada.

In addition, provinces must accelerate credential recognition for internationally trained professionals, including engineers, physicians, nurses, paramedics, and laboratory technologists. Faster assessment and integration of these professionals will help alleviate staffing shortages in key sectors and improve

patient access to care across Canada. Programs and legislation like the Atlantic Physician Registry and Saskatchewan's *Fair Practices Registration Act* could serve as a model for nationwide adoption.

Standardizing credential recognition and improving provincial labour mobility would also better align with the federal immigration system, ensuring that Canada attracts and retains skilled talent in sectors critical to the country's long-term economic and workforce needs.

#### 2. Support a Coordinated "Team Canada" Approach to U.S. Trade Relations

Work collaboratively with the federal government and business leaders to develop a coordinated response to U.S.-imposed tariffs, ensuring provincial economic priorities and unique considerations are taken into account. Provinces can help inform a "Team Canada" strategy that balances preventative measures and strategic responses, while minimizing disruptions to businesses and workers across the country.

Additionally, in an effort to protect integrated supply chains and open, rules-based trade, provinces and territories must actively inform the federal strategy related to the upcoming CUSMA (Canada-U.S.-Mexico Agreement) review. As global trade and security concerns evolve, Canada must fortify economic and strategic interests in key trade corridors, including northern trade routes, to maintain competitiveness and sovereignty in an increasingly contested geopolitical landscape.

#### 3. Advance Energy Infrastructure and Cross-Border Collaboration

Work together to establish national energy corridors that provide access to international markets beyond North America. Strive for nationwide energy self-reliance, including in rural, remote, and northern regions. At the same time, enhance grid integration between Canada and the U.S. to strengthen electricity reliability and improve cost competitiveness for consumers. Establish a U.S.-Canada working group of lawmakers and energy experts to align regulations on cross-border energy infrastructure and coordinate efforts on energy security. These measures will advance Canada's economic growth and alignment with the U.S. on shared strategic interests.

#### 4. Streamline Approval Processes for Energy and Critical Mineral Projects

Streamline regulatory approvals and expand energy infrastructure through provincial and territorial collaboration to ensure long-term energy security and economic competitiveness. Regulatory frameworks must be efficient and predictable, supporting investment in critical energy and mineral projects while reducing duplication between federal and provincial processes. At the same time, enhancing domestic energy corridors and cross-border infrastructure will reinforce North American energy reliability and unlock economic opportunities in rural, remote, and northern regions.

To achieve this government must:

• Harmonize provincial and federal regulatory processes, ensuring that provincial impact assessments can serve as the foundation for federal approvals to reduce delays and regulatory uncertainty.

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- Create a fast-track approval pathway for projects that diversify international market access, enhance national energy security, accelerate critical mineral development, and build capacity of the electricity grid.
- Expand energy infrastructure to support economic growth and industrial competitiveness, ensuring reliable access to domestic and export markets for key energy resources.
- Lower barriers to investment in Canada's energy sector and diverse energy sources including oil, natural gas, nuclear, hydroelectric, solar, and wind.

#### 5. Strengthen Domestic Procurement

Provinces and territories should build on recent efforts by the Committee on Internal Trade (CIT) to enhance domestic procurement, ensuring public procurement policies are aligned across jurisdictions. This includes leveraging trade agreement flexibilities, prioritizing local suppliers where permitted, and coordinating provincial procurement strategies with federal efforts to bolster domestic industries affected by global trade volatility.

To achieve this government must:

- Increase the weighting of domestic economic considerations in procurement evaluations.
- Utilize trade agreement flexibilities to prioritize local suppliers where permitted.
- Align procurement policies with key tariff-impacted industries, including manufacturing, agrifood, and steel.
- Ensure interprovincial cooperation in procurement to enhance supply chain resilience while avoiding new trade barriers.

#### 6. Strengthen Trade Infrastructure and Supply Chain Resilience

Provinces should work closely with the federal government to ensure infrastructure investments are strategically aligned to maximize economic impact and minimize duplication of efforts. Priority should be given to expanding trade-enabling infrastructure such as rail and marine corridors, modernizing supply chains through digital infrastructure, and strengthening interprovincial trade routes to enhance economic resilience.

To achieve this government must:

- Prioritize investments in expanded rail and marine corridors, enhanced ports, intermodal hubs, and digital infrastructure.
- Support domestic value-added manufacturing to maximize economic benefits within Canada.
- Encourage supplier diversification to reduce reliance on U.S. supply chains.
- Ensure a stable and competitive energy supply by investing in infrastructure and refining capacity to support domestic industries and exports.

• Enhance healthcare supply chain resilience by supporting domestic production capacity for critical medical equipment and pharmaceuticals while maintaining strong cross-border supply chain integration. Governments should work with industry to identify strategic vulnerabilities, support nearshoring opportunities where feasible, and improve emergency preparedness measures to ensure a stable and secure supply of essential healthcare products in times of disruption.

## **NEXT STEPS**

The Chambers of Federation Policy Framework represents the collective voice of Canada's provincial and territorial chambers of commerce, offering actionable recommendations to address shared challenges and unlock opportunities for all Canadians.

As the Council of the Federation deliberates on these priorities, we urge the Premiers to:

- 1. Commit to immediate discussions on implementing these recommendations, including forming intergovernmental working groups where appropriate.
- 2. Leverage existing best practices and interprovincial agreements to pilot scalable solutions, particularly in areas like labour mobility, trade harmonization, and energy infrastructure.
- 3. Establish a timeline for progress reviews and updates on key policy outcomes to ensure accountability and sustained momentum.

# **APPENDIX: INTERNAL TRADE BARRIERS - AREAS FOR ACTION**

#### I. POLICY

#### 1. Strengthen Existing Internal Trade Agreements (Government lead)

- Eliminate remaining protectionist exceptions under the Canadian Free Trade Agreement (CFTA) to create a more competitive and efficient market.
- Commit to senior oversight of relevant bodies with appropriate resourcing.
- Encourage provinces to join the New West Trade Partnership Agreement, which follows a negative-list approach to liberalizing interprovincial trade.

# 2. Transparent and Accessible Data Collection and Information Sharing (Government lead, business support)

- Make it easier for individuals and small businesses to share concerns with the government (e.g., Regulatory Reconciliation and Cooperation Table (RCT) stakeholder feedback portal: <u>RCT</u> <u>Stakeholder Feedback</u>).
- Engage provincial and municipal governments to centralize feedback on trade barriers and ensure effective flow of industry concerns to the RCT.
- Develop transparent tracking mechanisms to monitor progress on eliminating specific barriers.

#### **II. INDUSTRY**

#### 3. Trucking and Transportation (Business lead, government support)

- Align national cross-province standards for weight limits, driver qualifications, and vehicle inspections to facilitate a mutual recognition system under CFTA.
- Expand trucking pilot projects and encourage additional provinces to participate.
- Ensure consistent enforcement of commercial vehicle safety standards nationwide.

#### 4. Alcohol (Business lead, provincial government support)

- Establish an open, unrestricted national market that allows alcohol manufacturers to sell in any province without interprovincial shipping restrictions.
- Ensure that taxes and mark-ups for interprovincial sales match those imposed on physical retail outlets, preventing discriminatory pricing or treatment.

#### 5. Food (Business lead, government support)

- Ensure that food products legally sold in one province can be shipped, sold, and marketed in others without unnecessary restrictions.
- Address inconsistent food safety regulations that prevent agricultural products from being sold outside their province of origin.
- Prioritize streamlining regulations for high-impact sectors such as dairy, poultry, and shelf-stable goods.

#### **III. REGULATORY**

#### 6. Unified Framework for Domestic Skilled Trade Workers (Government lead)

- Develop a unified framework with provinces, territories, industry representatives, and regulatory bodies to recognize skilled trade certifications across Canada.
- Facilitate free labour mobility to allow qualified workers to pursue job opportunities where demand is high.
- Implement mutual recognition agreements for Workers' Compensation and Occupational Health & Safety rules.

# 4. Streamlining Permitting and Approvals for Interprovincial Projects and Infrastructure (Government lead, business support)

- Recognize that East-West infrastructure projects are critical to mitigating tariff threats from key trading partners.
- Address barriers caused by provincial preferences for local electricity providers to improve market efficiency.
- Expand trade barrier discussions to include pipelines, rail, and highways to boost interprovincial trade and economic integration.
- Develop a Canada Trade Infrastructure Plan to guide long-term investment in trade-related infrastructure.

#### 5. Differing building codes and construction standards (Government lead)

- Variations in building codes and construction standards between provinces can hinder the mobility of construction firms and increase costs for interprovincial projects.
- Develop and implement a unified building code that all provinces agree to adopt.
- Establish a national certification program for construction professionals that is recognized across all provinces.
- Create a centralized database of approved building materials and techniques that meet national standards.

#### 6. Inconsistent environmental regulations (Government lead)

- Differing environmental regulations and assessment processes across provinces can create barriers for businesses operating in multiple jurisdictions, particularly in resource-based industries.
- Develop a harmonized set of environmental standards that all provinces agree to adopt as a minimum baseline.
- Implement a "one project, one assessment" approach for projects that cross provincial borders, eliminating duplicate processes.

#### 7. Extra-provincial/extra-territorial business registration (Government lead)

- Canadian companies wishing to expand their activities outside their home province or territory are often required to register and to pay registration fees in each additional province or territory, even if they already pay registration fees in their home province or territory.
- Implement a mutual recognition system for interprovincial business registration.