



October 11, 2013

Mr. Robert Carberry
Assistant Secretary, Regulatory Cooperation Council Secretariat
Privy Council Office
66 Slater Street
Ottawa, Ontario K1A 0A3

Re: Regulatory Cooperation Council

Dear Bob:

On behalf of the undersigned associations from the Canadian Manufacturing Coalition (“the Coalition”), we are writing regarding the next steps in the development of the Canada-United States Regulatory Cooperation Council (RCC). As you know, the Coalition represents over 50 sectoral manufacturing associations who collectively represent 100,000 companies and their approximately 1.8 million Canadian employees.

The Coalition’s members are strong proponents of broad based regulatory reform, and of the RCC in particular, because of the negative impact the current regulatory environment can have on the economic competitiveness of the deeply integrated North American manufacturing sector. Collectively and independently the Coalition and its members continue to provide input and direction to the Council in both Canada and the US as we see this as a critical path towards much needed regulatory simplification and alignment. We first want to thank the RCC secretariats in Canada and the US for their ongoing dialogue with the Coalition and our members, and your willingness to work cooperatively with us to find solutions to existing and structural regulatory challenges.

When the RCC began, we fully understood the challenges that were faced to implement significant changes in the regulatory regimes in Canada and the US. Our most important priority at the outset was to change the mind-set of regulators in each country to be receptive to changes to both existing regulations and the regulatory process, so future regulations may be aligned. Manufacturers, and their suppliers from across North America, while respecting the different legal requirements and cultural norms, have operated and treated the countries as essentially a single unit since the Canada/US Free Trade Agreement (FTA), and in some sectors decades earlier, because of many coordinated government policies. Despite the FTA, and deeply integrated industries and supply changes, regulators did not align to meet modern business realities in the vast majority of instances.



From this perspective, we believe that the RCC to date has been an important step and largely successful in the areas originally identified for action. Our associations and members have seen more regulatory bodies attempting to align their processes and final regulations across a variety of products and sectors. Importantly, in some of these sectors we have also seen regulators move beyond simply aligning existing regulations in an attempt to align regulatory processes, which will help ensure the alignment of future regulations as well.

While we are pleased to see such improvements in some regulatory areas, many regulatory sectors have seen little or no progress to their regulatory environment. This is because they were not included in the original list of priorities or the regulators have not been as receptive to change as needed to meet the RCC expectations. As a result, out of the thousands of regulations that affect companies manufacturing and selling products in each country, only a handful of regulations have been aligned to allow for a product to be designed, manufactured, approved and sold in both countries through a single process. In order for more fundamental changes to occur, and to institutionalize the changes already started, we believe that the RCC should focus on fully completing the original set of 29 specific priorities of the work plan in the next 12 months; it should aim to broaden and fully institutionalize the commitment to regulatory cooperation between Canada and the US.

As a first step, the Government of Canada should strengthen and enforce the Cabinet Directive on Regulations to ensure the principles of the RCC are followed across all government departments. The 2012 *Cabinet Directive on Regulatory Management* was a significant improvement from earlier Cabinet directives. However, it should be updated again to specifically reference the RCC activities principles – namely cross border cooperation on regulatory development and outcomes – should not be an option for any government department, it must be mandated by the government. The US updated its cross-government regulatory guidance in 2012 to take into account the RCC. Canada should follow suit to ensure consistency in approach between the governments as well as across all government departments.

While we believe that this would make a significant improvement in the culture of regulators in Canada and could be done relatively quickly, we also believe that the RCC needs to further institutionalize broad based Canada/US regulatory alignment. The RCC should examine and adopt the best practices contained in the Australia and New Zealand in the Trans-Tasman Mutual Recognition Act. We believe that this approach would support the end objective of the RCC by moving towards the establishment of joint regulatory bodies with the objective of collaborative research on regulatory options, primary data collection, shared peer reviews of regulatory development and ongoing performance, and product approvals and certifications.

While a strengthened joint approach mirrored on the Australia/New Zealand model could eventually be taken in all sectors and regulations, we recognize this will be difficult to accomplish in the short term. As such, we suggest focusing on sectors with fully integrated



companies and supply chains where Canada and the U.S. already share similar regulatory objectives, have strong regulatory regimes, and have mutual respect for the health and safety of consumers and the environment. As a starting point the focus could be on (but not be limited to) automotive, information technology and communications, food and consumer products, energy, and pharmaceuticals and medical devices.

Thank you again for the opportunity to provide our input into this process and for your ongoing dialogue with the Coalition. Please do not hesitate to contact us at anytime for any additional information on these priorities. We look forward to continuing to work with the RCC secretariats in both countries to move this critical initiative forward for long-lasting regulatory reforms that support manufacturing integration and competitiveness.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jayson Myers', on a light grey background.

Jayson Myers
President & CEO
Canadian Manufacturers & Exporters
Chair, Canadian Manufacturing Coalition

A handwritten signature in blue ink, appearing to read 'Jerry Engel', on a light blue background.

Jerry Engel
President & CEO
AMC - Agricultural Manufacturers of Canada

A handwritten signature in blue ink, appearing to read 'T. Howard Mains', on a light blue background.

T. Howard Mains
Canadian Public Policy Advisor
Association of Equipment Manufacturers

Jan Westcott
President & CEO
Association of Canadian Distillers (Spirits Canada)

A handwritten signature in blue ink, appearing to read 'Marc Brazeau', on a light blue background.

Marc Brazeau
President
Automotive Industries Association of Canada



A handwritten signature in blue ink, appearing to read 'Steve Rodgers'.

Steve Rodgers
President
Automotive Parts Manufacturers Association

A handwritten signature in blue ink, appearing to read 'Andrew Casey'.

Andrew Casey
President and CEO
BIOTEC Canada

A handwritten signature in black ink, appearing to read 'Russell Williams'.

Russell Williams
President
Canada's Research-Based Pharmaceutical
Companies (Rx&D)

A handwritten signature in black ink, appearing to read 'Jean Szkotnicki'.

Jean Szkotnicki
President
Canadian Animal Health Institute

A handwritten signature in black ink, appearing to read 'John Clarke'.

John Clarke
President
Canadian Association of Railway Suppliers

A handwritten signature in black ink, appearing to read 'Shannon Coombs'.

Shannon Coombs
President
Canadian Consumer Specialty Products
Association

A handwritten signature in black ink, appearing to read 'David Andrews'.

David Andrews
Executive Director
Canadian Corrugated & Containerboard
Association

A handwritten signature in black ink, appearing to read 'Peter Clark'.

Peter Clark
President
Canadian Foundry Association

A handwritten signature in black ink, appearing to read 'Jim Keon'.

Jim Keon
President
Canadian Generic Pharmaceutical Association

A handwritten signature in blue ink, appearing to read 'James Laws'.

James Laws, P.Ag.
Executive Director
Canadian Meat Council



A blue ink signature of Gary LeRoux, written in a cursive style.

Gary LeRoux
President & CEO
Canadian Paint and Coatings Association

A blue ink signature of Carol Hochu, written in a cursive style.

Carol Hochu
President & CEO
Canadian Plastics Industry Association

A red ink signature of W. Scott Thurlow, written in a cursive style.

W. Scott Thurlow
President
Canadian Renewable Fuels Association

A blue ink signature of Ron Watkins, written in a cursive style.

Ron Watkins
President
Canadian Steel Producers Association

A blue ink signature of David Glover, written in a cursive style.

David Glover
President
Canadian Tooling & Machining Association

A blue ink signature of Donald E. Moore, written in a cursive style.

Donald E. Moore, P.Eng.
Executive Director
Canadian Transportation Equipment Association

A black ink signature of Richard Paton, written in a cursive style.

Richard Paton
President & CEO
Chemistry Industry Association of Canada

A black ink signature of Jim Taggart, written in a cursive style.

Jim Taggart
President/CEO
Electro-Federation Canada

A blue ink signature of Nancy Croitoru, written in a cursive style.

Nancy Croitoru
President & Chief Executive Officer
Food and Consumer Products of Canada

A blue ink signature of David Lindsay, written in a cursive style.

David Lindsay
President & CEO
Forest Products Association of Canada

A blue ink signature of Bob Seguin, written in a cursive style.

Bob Seguin
Executive Director
George Morris Centre

A blue ink signature of Glenn Maidment, written in a cursive style.

Glenn Maidment
President
The Rubber Association of Canada