

**Canadian Free Trade Agreement**  
**Regulatory Reconciliation and Cooperation Table**

**2022 Annual Report**



**CANADIAN  
FREE TRADE  
AGREEMENT**  
**ACCORD DE  
LIBRE-ÉCHANGE  
CANADIEN**

March 2023

## **Message from the Chair**

As Chair of the Regulatory Reconciliation and Cooperation Table (RCT) for 2023, the Government of Saskatchewan would like to thank the 2022 Chair, the Government of Yukon, for its leadership in moving forward the various RCT Work Plan Items and other initiatives outlined in this report. We would like to also thank the RCT members and the numerous government officials who worked on the Work Plan Items, and the stakeholders who provided input to the RCT to aid in the development of the Work Plan.

## Introduction

The *Canadian Free Trade Agreement* (CFTA) came into force on July 1, 2017 with the objective of reducing and eliminating, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and establishing an open, efficient, and stable domestic market. The CFTA commits all Canadian provinces, territories, and the federal government to a comprehensive framework that will help achieve a modern and competitive economic union for all Canadians.

An important feature of the CFTA is the creation of the RCT. The RCT has a mandate to reduce barriers to trade, investment, and labour mobility within Canada by leading efforts to:

- 1) identify and reconcile differing regulatory measures between the federal government, provinces, and territories that act as barriers to trade, investment, or labour mobility; and
- 2) lead cooperation efforts in the development of future regulatory measures to:
  - a. avoid regulatory divergence that may impair trade, investment, or labour mobility in Canada;
  - b. facilitate innovation, competition, or growth in emerging industries, technologies, or sectors; and
  - c. seek common processes among Parties to avoid new administrative burdens for enterprises working in multiple jurisdictions in Canada.

At least once a year, the RCT updates its Work Plan, which identifies regulatory areas for reconciliation and cooperation efforts. This can be achieved by mutual recognition, harmonization, or other means. The Work Plan, developed by all CFTA Parties, includes input from stakeholders and is publicly available on the [CFTA website](#).

## RCT Achievements in 2022

The RCT continued to focus on the implementation of its fourth annual Work Plan (2021-2022).

### *A. Completed Items*

Five Work Plan Items reached completion in 2022.<sup>1</sup>

#### Items for Regulatory Reconciliation

- **First Aid Training:** The *Pan Canadian Occupational Health and Safety Reconciliation Agreement*, which was completed in 2021, allows for future reconciled items to be added through individual schedules without having to amend the entire agreement. Participating Parties are working through this process to incorporate workplace First Aid training to this Agreement.

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<sup>1</sup> 'Completion' means solution(s) to a Work Plan Item has been negotiated by the corresponding Working Group and, if a reconciliation agreement has resulted, has been endorsed by the RCT. When marked 'complete', the Work Plan Item may be in various stages of finalization, including signature stage, implementation phase, or implemented.

- **Electronic Logging Devices:** With a view to avoiding the introduction of regulatory differences as part of the development of regulations and technical standards for the use of electronic logging devices in commercial trucks crossing provincial/territorial borders, Parties worked to support Transport Canada's 2019 amendments to the Commercial Vehicle Driver Hours of Service Regulations. With that mandate in place, Parties determined that a reconciliation agreement was not required.
- **Truck Driver Certification Entry-Level Training (ELT):** This reconciliation agreement outlines provincial and territorial commitments to set out minimum standards for commercial truck driver ELT across Canada to support national reciprocity and road safety.

#### Items for Regulatory Cooperation

- **Builders' Lien – Prompt Payment Legislation and Associated Regulations:** Several jurisdictions have introduced prompt payment legislation for the construction industry to date. A final report, including a best practices document, will be made available shortly.
- **Testing of Automated and Connective Vehicles (AV/CVs):** Jurisdictions collaborated on the development of testing guidelines through participation in numerous working groups/committees, including the Council of Ministers of Transportation AV Governing Council, the Canadian Council of Motor Transport Administrators (AV Working Group, and the Transportation Association of Canada AV Task Force). A final report will be made available shortly.

#### *B. Signatures Added*

Additional Parties signed on to the following concluded Agreements:

- All RCT Parties signed the *Pan Canadian Occupational Health and Safety Reconciliation Agreement*, which covers reconciliation of seven different types of fall protection equipment. This agreement builds on and is in addition to the *National Occupational Health and Safety Reconciliation Agreement*, which set out common standards in the areas of first aid kit contents and personal protective equipment.
- Canada, New Brunswick, Nova Scotia and Quebec signed the *First Amendment to the Pan Canadian Occupational Health and Safety Reconciliation Agreement*, which reconciles differing rules pertaining to workplace First Aid training. The signature process began in June 2022.
- British Columbia signed the *Energy Efficiency Standards for Household Appliances Reconciliation Agreement*, which reconciles regulatory differences regarding the energy efficiency rules for household appliances. Six of seven Parties to the negotiations have now signed the Agreement, with Canada, Manitoba, Nova Scotia, Ontario and Quebec having signed prior to 2022.
- Manitoba, Ontario, Saskatchewan and Yukon signed the *Entry-level Training for Commercial Drivers (Class 1) Reconciliation Agreement*, which sets out the minimum training credential accepted by driver licensing authorities across Canada. Signatures are forthcoming from eight other Parties.

Complete texts of ratified Agreements, as well as summaries of endorsed Agreements, are posted on the [CFTA website](#).

### C. Additional Efforts

2022 marked the five-year anniversary of the coming into force of the CFTA and the creation of the RCT. As required by Article 407 of the CFTA, the RCT completed a Five-Year Review of the operation and effectiveness of the reconciliation element of its mandate. In performing this internal review, reflections emerged on four key themes, specifically: developing an impactful and practical Work Plan; improving how the work gets done; follow through on implementation; and stakeholder communications and engagement.

Moving forward, the RCT will implement the findings from its five-year review to advance a process for continuous improvement.

## Stakeholder Engagement

Effective stakeholder engagement is fundamental to the work of identifying and addressing regulatory barriers to internal trade. The Chair reached out to national and regional stakeholders on behalf of the RCT in early 2022. RCT Representatives also conducted their own internal consultations.

<b>Stakeholders Contacted by the RCT Chair</b>
Afro-Canadian Chamber of Commerce
Agricultural Manufacturing of Canada
Atlantic Provinces Economic Council
Beer Canada
Broadbent Institute
Business Council of Canada
Canada West Foundation
Canadian Association of Importers and Exporters
Canadian Association of Petroleum Producers
Canadian Black Chamber of Commerce
Canadian Cattlemen's Association
Canadian Centre for Policy Alternatives
Canadian Chamber of Commerce
Canadian Council for Aboriginal Business
Canadian Craft Brewers
Canadian Federation of Independent Business
Canadian Fuels Association
Canadian Gay and Lesbian Chamber of Commerce
Canadian Labour Congress
Canadian Manufacturers & Exporters
Canadian Oilseed Processors Association
Canadian Trucking Alliance
Canadian Women's Chamber of Commerce
Canola Council of Canada
C.D. Howe Institute
Cereals Canada Inc.
Conference Board of Canada
Conseil du patronat du Québec
Consumer Choice Center

### **Stakeholders Contacted by the RCT Chair**

Engineers Canada  
Explorers and Producers Association of Canada  
Fertilizer Canada  
Food, Health & Consumer Products of Canada  
Forest Products Association of Canada  
Freight Carriers Association of Canada  
Insurance Bureau of Canada  
Macdonald-Laurier Institute  
Mining Association of Canada  
Montreal Economic Institute  
Pulse Canada  
Railway Association of Canada  
Retail Council of Canada  
Western Grain Elevator Association  
Wine Growers Canada

The RCT welcomes requests from stakeholders not listed above to be included in future consultations on Work Plan development. Requests can be shared with the [Internal Trade Secretariat](#), who will advise the Chair.

## **RCT 2023 Work Plan**

The RCT's fifth annual [Work Plan](#) (2023) was released publicly on January 27, 2023.

No new items were added to the Work Plan in order to enable the RCT to continue efforts to complete and implement the remaining Work Plan Items.

To date, a total of 17 regulatory reconciliation items and two regulatory cooperation items have been completed in the 35-Item Work Plan.

## **Plans for 2023**

The primary focus for 2023 is effective management of the Work Plan through continued support of Working Groups as they work to find solutions to the identified regulatory differences. The RCT will continue its consultations with external stakeholders and our government colleagues to identify additional instances in which barriers created by variations in regulatory measures across Parties can be addressed.

Additionally, with a priority on enhancing its future effectiveness, the RCT has committed to prioritizing specific continuous improvement efforts. These include further exploration of how deferred Work Plan Items are managed and how Work Plan implementation is monitored, tracked and reported, as well as work to finalize the development of a few tools intended to streamline RCT-related efforts.

Throughout the fall, the RCT will work to develop the 2024 RCT Work Plan. The RCT looks forward to hearing from stakeholders with regards to potential areas in which it could effectively support the breakdown of internal trade barriers resulting from variances in existing regulatory measures maintained by Parties, or to effectively avoid the creation of such barriers through cooperative approaches to the development of regulatory measures.

## **Conclusion**

At five years into its establishment, 2022 was a year of both ongoing progress and reflection for the RCT. In addition to addressing its mandate to advance reconciliation agreements and regulatory cooperation opportunities, the RCT undertook an internal review and identified a number of important ways to achieve continuous improvement. The RCT will leverage this initiative to not only implement its new Work Plan, but also deliver on stakeholder expectations related to communications and transparency in 2023 and beyond. The RCT remains committed in its efforts to reduce and eliminate regulatory differences that create unnecessary barriers to trade, investment, and labour mobility in Canada.

## **Key Links**

For further information on the RCT and its initiatives, please visit our website at:

<https://www.cfta-alec.ca/regulatory-reconciliation-cooperation/>

2023 RCT Work Plan:

<https://www.cfta-alec.ca/wp-content/uploads/2023/01/RCT-2023-Work-Plan-Final-Version-for-Website-January-18-2023.pdf>

Regulatory Reconciliation and Cooperation Table Representatives:

<https://www.cfta-alec.ca/contact-us/rct-representatives/>