

June 24, 2020

Hon. Jean Yves-Duclos, P.C., M.P.
President of the Treasury Board
90 Elgin Street, 8th Floor
Ottawa, Ontario
K1A 0R5

RE: Regulation Compliance Burdens during COVID-19 and a Regulatory Bill of Rights

Dear Minister:

We the undersigned trade associations that represent Canada's manufacturing sectors write regarding the burden of continuing to implement new regulations on our industry during the COVID-19 crisis.

As you know, Canadian manufacturers have been at the forefront of the economic response to the COVID-19 pandemic. Thousands of companies answered the Prime Minister's call and retooled their production lines to make goods needed to fight the crisis. And, while your government has responded to the many needs of business by instituting relief programs, one major challenge has remained: the uninterrupted implementation of new regulations and ongoing consultative processes.

At a time when businesses are struggling to keep the lights on, complying with new, and often complex, regulations takes valuable resources away from all their efforts to stay in business.

Manufacturers along with other business associations have been calling for a temporary pause on regulatory measures until businesses are in a better position to manage them. This includes regulatory initiatives that have been pre-published for industry comment as well as final regulations scheduled to come into force in the coming months. Legislative packages focused on regulatory modernization and the reduction of red tape for industry should however continue as scheduled.

We are aware that you have directed regulators and agencies to demonstrate flexibility and understanding regarding new regulations, but most have not heeded this call. We worry that further inaction risks hampering, and at worst preventing, Canada's economic recovery.

We recommend the following steps be taken to address this issue:

1. Introduce a one-year moratorium on new business sector regulations **that fall outside of** initiatives already in progress and designed to reduce red tape and modernize regulations.

2. Modernize Canada's regulatory system by implementing a Regulatory Bill of Rights that makes regulations more predictable and focused on achieving desired policy outcomes rather than prescribing business processes.
3. Mandate that industry be part of the regulatory development process from beginning to end to ensure that regulations do not set standards that are impossible to achieve and have no grounding in marketplace realities.
4. Adopt a phased-in approach to new regulations to give businesses the chance to adapt and to avoid a sudden flood of new rules that were backlogged because of COVID-19.

Ultimately, government must seek to harmonize regulations within Canada and align them with North America. We should also strive to implement regulations through an environmental and a competitiveness lens. Most importantly, governments must rely on evidence, science, and seek guidance from industry experts on the impacts of regulations to avoid unintended consequences. Instituting actual mechanisms that bring in industry representatives with regularly scheduled meetings could better include businesses in the process.

As President of the Treasury Board you can address these challenges and lead the modernization of Canada's regulatory system. By doing so, we will not only make Canada's economy more resilient and able to rebound but strengthen it by making it more competitive.

Thank you again for your efforts in support of Canadian businesses during this challenging period. Should you have any questions, please do not hesitate to contact any of us directly.

Yours truly,



Dennis A. Darby, P.Eng., ICD.D
President & CEO, Canadian Manufacturers & Exporters
Chair, Canadian Manufacturing Coalition



Shannon Coombs
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Bob Masterson
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Kathleen Sullivan
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Catherine Cobden
President
Canadian Steel Producers Association