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Chair: The Honourable Judy A. Sgro



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• (1105)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call this meeting to order.

Welcome to everyone for meeting number seven of the House of Commons Standing Committee on International Trade.

Today's meeting is taking place, of course, in a hybrid format pursuant to the House order of September 23, 2020. The proceedings are available via the House of Commons website.

To ensure an orderly meeting, I would like to outline a few of the rules to follow.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for the meeting.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When you are not speaking, your mike should be on mute.

We'll move on to the business of the day.

Pursuant to Standing Order 108(2), the committee will now proceed with its study of trade between Canada and the United Kingdom—a potential transitional trade agreement.

Ms. Bendayan.

Ms. Rachel Bendayan (Outremont, Lib.): Before we begin this meeting, could I make a point of information for the benefit of all of our colleagues on the committee?

As you may have seen, I was called late Friday night to come to Ottawa early Saturday morning to make an announcement with Minister Ng that we have concluded negotiations on the Canada-United Kingdom Trade Continuity Agreement. I wanted to make sure that all members understood what that meant.

Essentially, the negotiations have concluded, but the text is not yet available. Lawyers in both the United Kingdom and Canada are working on this legal review as we speak. I understand that normally this type of review takes between two and four weeks. Obviously, we have our required process here to go through the House and

back to committee, and, of course, back to the House and then to the Senate. The United Kingdom also has their legislative process to follow.

I am certainly open to discussing how we might forward as a committee, perhaps after we hear from our witnesses. I certainly recall everybody's interest in getting a deal done before the deadline of January 1. I know that is also of interest to our business community.

I would be curious to hear from our colleagues on how this committee's work can move forward in the most appropriate way, bearing in mind that we have important work to do as a committee as well.

I leave that with you, Madam Chair. I am happy to follow your lead as to how you would like the meeting to proceed.

The Chair: Thank you very much, Ms. Bendayan.

I'm going to suggest that we hold the last 15 minutes of the meeting, so we can have a discussion on how we had planned to do it and what the committee's thoughts are now, if there is anything different they want to discuss.

Before I introduce the witnesses, Mr. Blaikie go ahead.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): I have a quick question, Madam Chair.

I'm curious, with regard to the finalization of the document, whether the French documents have been prepared in tandem with the English documents, or are we concluding the deal in the English language and then it will have to be translated. Is there a longer amount of time for the U.K. officials to review the French? Presumably that's not something they are doing in every trade deal that they are inking right now.

Can the parliamentary secretary give us a bit of a sense of how French translation figures into the timing?

Ms. Rachel Bendayan: Madam Chair, with your permission, perhaps I will respond quickly to Mr. Blaikie.

The Chair: Yes, please do.

Ms. Rachel Bendayan: We are translating it at the moment, so that the translation time is going to be included in the two to four weeks—again with the objective, certainly on the government side, of making the process as expeditious as possible.

I cannot comment on the U.K. side. Obviously, the United Kingdom is negotiating with the EU. I would imagine they have other partners that do require translation for other agreements, so perhaps they are also equipped to do that simultaneously.

• (1110)

The Chair: Thank you very much.

We will now welcome our witnesses.

From the Canadian Agri-Food Trade Alliance, we have Claire Citeau, executive director; from the Canadian Association of Importers and Exporters, Kim Campbell, chair of the board of directors; from Livingston International, Robert Closner, senior vice-president and general counsel, and Candace Sider, vice-president of government relations; and from the Lobster Council of Canada, we have Geoff Irvine, executive director.

I will turn the floor over to you, Ms. Citeau, if you would like to lead off.

Ms. Claire Citeau (Executive Director, Canadian Agri-Food Trade Alliance): Thank you, Madam Chair and members of the committee for the opportunity to present to you today. It's a pleasure to be back.

As you know, CAFTA is the voice of Canadian agri-food exporters, representing the 90% of farmers who depend on trade and the producers and food manufacturers who want to grow the economy through better access to international markets. This includes the beef, pork, meat, grains, cereals, pulses, soybeans, canola, as well as the sugar, malt, and processed food industries. That's roughly 90% of what Canada exports in terms of agriculture and food, and about a million jobs across urban and rural communities in Canada.

We are grateful for the opportunity to speak with committee members today about the recently announced interim trade agreement with the United Kingdom, amongst other issues affecting our trade with the rest of the world. What I would like to imprint on the committee today is that Canada needs a permanent and meaningful trade agreement with the United Kingdom.

As committee members will appreciate, the U.K. is one of our largest and longest-standing trading partners in Europe. It is a high-value market, and the highest-value market for a number of Canadian agriculture and food products. Over the last five years, it absorbed, on average, at least a quarter of our total agri-food exports going to the EU-28. It's the largest market for Canadian beef and wheat, the second-largest for grains, the fourth market for pork, and an important market for processed foods, pulses and sugar-containing products among others.

It goes without saying that with the U.K. finally leaving the EU Customs Union at the end of the year, we cannot let the Brexit disruption disadvantage our exporters. Timing truly is of the essence. We cannot risk losing market share to our competitors, many of which are actively engaged in free trade negotiations. Others continue to negotiate free trade agreements with the U.K.

Although we have not seen the details of the text, we understand that the recently announced continuity agreement reflects CETA's negotiated outcomes. This is an important first step to ensuring that exporters preserve the existing access and benefits that are already

in place. The temporary certainty and stability that a transitional agreement provides is welcome news for some of our members and the reason we call on parliamentarians to work together to pass this agreement before the end of the year.

However, for others, there remains a real fear that a transitional agreement will simply reinforce a situation that remains unacceptable under CETA due to the persistence of trade obstacles that continue to hinder Canadian agri-food exports. This is why we are urging both parties to return to the negotiating table as soon as possible in order to reach a comprehensive pact that removes tariffs and non-tariff barriers, provides liberal rules of origin and creates a level playing field that will enable increased trade and deliver commercially viable two-way growth for agri-food.

CAFTA remains concerned with the EU's unwillingness to remove trade obstacles that are preventing Canada from reaching its full potential under CETA. We are equally concerned with such obstacles being carried over to both a transitional deal and a future FTA between Canada and the U.K. At the same time, any transitional agreement should not be the template for a future bilateral negotiation during which CAFTA would seek more ambitious outcomes for agri-food exporters and the removal of technical barriers.

Put simply, an interim trade arrangement that preserves existing access and provides stability during a transition period is one thing; a real, meaningful, permanent trade agreement that provides ambitious outcomes and enables the sector to grow is another.

This interim agreement is a welcome stopgap measure, but it's not enough. The best way to show the world that free and open trade will protect the economy now and support recovery is by negotiating a permanent and meaningful free trade agreement that enables growth for both sides.

For this and for further FTAs, we would expect close engagement and consultations with the government and our negotiators in the design stage, throughout the negotiations process, but also in the enforcement and implementation of the deal.

In the time I have left, I would like to make one additional point.

As a trading nation, our road to recovery will go through trade and cannot be successfully navigated unless we unblock our major trade routes and reaffirm commitments to rules-based trade.

CAFTA, you will have seen, recently sent a letter to committee members requesting that Parliament, through this committee, undertake a competitiveness review of the trade agreements that have come into force in recent years to help ensure that the negotiated outcomes are living up to what was negotiated, and, most importantly, to identify where our trading partners are not fully honouring commitments made. This is especially important for agri-food exporters if our sectors are to be key anchors for growth and prosperity moving forward.

• (1115)

As you know, despite being in force for over three years, CETA has failed to deliver on expected gains, in large part because the EU continues to maintain a wide range of barriers and subsidies, imposing new barriers or failing to reduce those that were to be removed or eliminated through the CETA. This makes expected export growth to the EU elusive for Canadian farmers and agri-food exporters.

A recent report issued by the WTO and the FAO, echoed by a number of international institutions, demonstrates that international trade clearly is absolutely central to the future of agriculture and food and resilient supply chains. Really, no other sector is so inherently dependent on trade.

We've become an agri-food powerhouse in Canada precisely because we've specialized in making products that the world wants and needs. The global demand for agri-food presents an immense global growth opportunity for us, and we must be mindful that unless we're leading the pack, we're doomed to be left behind.

Harnessing the power of our sector to support Canadians now and into the future will require a proactive and collective effort to aggressively oppose protectionism and spend the political capital necessary to keep trade free and open.

I look forward to your questions.

Thank you.

The Chair: Thank you very much, Ms. Citeau.

We'll move on to the Canadian Association of Importers and Exporters, with Kim Campbell, chair of the board of directors.

Ms. Kim Campbell (Chair of the Board of Directors, Canadian Association of Importers and Exporters Inc.): Thank you, Madam Chair and members of the committee, for including the Canadian Association of Importers and Exporters on your agenda to allow for input on this important topic.

My name is Kim Campbell. I'm the chair of the association and we thank you for providing us the opportunity to appear before this committee to affirm our support for a transitional trade agreement between Canada and the United Kingdom.

The Canadian Association of Importers and Exporters is a national association that has been speaking on behalf of the trade community for almost 90 years. Our members include importers, exporters, Canadian manufacturers who both import and export, wholesalers and distributors, retail importers and supply chain service providers. We represent some of the largest importers and exporters in Canada, as well as small and medium-sized businesses.

Our members import and export across most commodities and product lines.

I.E. Canada endeavours to be a trusted facilitator between business and government to inform and influence outcomes of policy and real-world application for the movement of goods across Canada's international borders.

The private sector needs transparency, predictability and ease of use in all its interactions with government, but really nowhere more so than at the border. The last few years have been very challenging for our members as two important pillars, transparency and predictability, have been shaken now that we live in an era of trade wars.

The COVID-19 pandemic has added another hardship to an already difficult environment. One really needs to be a geopolitical aficionado and tea-leaf-reader to manage the world of cross-border trade in our current environment. We applaud the Government of Canada and Canada Border Services Agency for their great work in keeping our borders open to commercial trade. We would have been at great peril without that predictability, and this effort should be commended.

The importance of our border was reinforced as we had to pivot to manage extreme supply chain disruption while at the same time ensuring critical goods moved to our citizens, including but not limited to personal protective equipment and food. For some additional excitement, we were forced to implement CUSMA with minimal information to guide the importers and exporters sector, and there was no transition period. We believe that some great lessons have been learned and hope that as we support the U.K.'s transition from the EU, the Government of Canada will support importers and exporters with transparency, predictability and ease of use in the transitional agreement.

We would also like to take the opportunity to share our work on a path to a smart and secure commercial border. We provided supporting documents in our submission to the committee for this hearing. This information might also inform your study of a transitional agreement between Canada and the United Kingdom.

Our members are focused on the mechanics of how goods move across borders. It is important to state that although the word "free" appears in these agreements, it does not mean that the goods are duty-free as a result of an agreement. The goods must qualify in order to be claimed as duty-free and there is a lot of process and regulation required for that to happen.

How one qualifies to claim no duties on their goods is extremely complicated and confusing. Those of us who work in this space have a hard time keeping up, as each agreement has its own unique set of rules and requirements. Each agreement also has its own form or format to certify that the goods qualify, and each commodity has its own rules. This applies to importers claiming a free trade agreement at time of import and exporters having to provide the certification to their customers who are importing Canadian goods into their respective countries. It is important to emphasize that many of these goods are required inputs to create the goods manufactured in Canada.

This is not a “one and done” undertaking. These certifications need to be completed once a year and are specific to the individual part that a business would be importing or exporting. In addition, the regulator may come to you four years later and state that they do not think you qualified and make you pay back all the duties and taxes. It is no wonder that small and medium-sized enterprises are not utilizing these agreements at the rate we hoped to see.

Our members are currently managing, for the third time this year, North American, NAFTA or CUSMA, certifications. For a majority, the bulk of this work occurs at the calendar year end. The uncertainty for the importers and exporters trading between Canada and the U.K. adds to the many burdens they already face.

Cash flow is paramount to the survival of many businesses during this pandemic. Just the reinstatement of duties at the border on goods entering from the U.K. on January 1, 2021, might be the end of such businesses' existence. It will also impact their customers in the United Kingdom and will encourage them to look for lower-cost alternatives.

• (1120)

We respectfully submit the following recommendations as key elements for a transitional agreement:

One, allow the use of existing CETA certification to substantiate free trade duty status. Two, adopt the same rules of origin and certification requirements that exist under CETA. Three, allow importers to certify goods during the transitional period if new documentation will be required.

In summary, we fully support a transitional agreement between Canada and the United Kingdom and look to the Government of Canada to support business with transparency, predictability and ease of use in cost and process.

Thank you for allowing our members to participate in your study of a Canada-United Kingdom transitional trade agreement and the potential impacts to importers and exporters if not implemented.

I look forward to answering any questions you may have.

The Chair: Thank you very much, Ms. Campbell.

We're on to Mr. Closner, senior vice-president and general counsel for Livingston International.

Mr. Robert Closner (Senior Vice-President and General Counsel, Livingston International): Thank you.

I'm actually going to ask Ms. Sider to begin my on behalf.

Ms. Candace Sider (Vice-President of Government Relations, Livingston International): Thank you.

Good morning, honourable Madam Chair and members of the committee.

On behalf of my colleague Robert Closner and myself, we would like to thank you for the opportunity to speak with you today.

To provide you with further context for our appearance, we'd like to state that our issues are related in a broad sense to Canada-U.K. trade, as they are related to any major cross-border trade relationship our country currently has.

As Canada's largest customs broker, we represent approximately 25% of the goods imported into Canada, across tens of thousands of importers representing a broad range of industry sectors. We employ over 2,000 Canadians across the country, and we have been supporting clients during the COVID-19 pandemic, keeping supply chains moving in the wake of this unprecedented global public health response.

These imports are fundamental to our economy's ability to fulfill its full potential for export markets. As an example, from data on the cross-border flow of goods in the auto sector, a product will cross the border two or three times before it becomes a finished good. Imports and exports have never been more interdependent.

We know that the pandemic has demanded fast and bold responses from national governments. Livingston International extends our thanks to Canada's federal government for its significant economic relief efforts during the COVID-19 pandemic, given the difficult environment for businesses, communities and Canadians in general.

We also understand that all businesses must evolve to survive. Alongside this evolution incumbent on the private sector, we also believe government must become partners in developing flexible regulations that allow businesses to operate efficiently during these challenging times. I'd like to thank members of Parliament, Tracy Gray and others, for first raising our issue with Minister Ng during her appearance before committee.

To further Ms. Gray's line of questioning, we believe we are uniquely positioned to provide insights for this committee on the unintended consequences of one key measure implemented to address this crisis. By ensuring the movement of goods across international borders, customs broker firms play a critical role in maintaining access to foreign supply of goods and restarting and stimulating Canada's economy. Our challenges present a unique but critical perspective.

Customs brokers are licensed by the federal government and can be considered government's original trusted traders. Through this pandemic and beyond, customs brokers have and will continue to be a valued partner in the global supply chain, facilitating trade on behalf of importers and acting as the conduit to Canada Border Services Agency and in turn to Revenue Canada.

For goods to clear customs at the time of release, the duties and taxes on the goods being imported are required to be paid at the time of clearance, or the importer must rely on a release-prior-to-payment bond. As most importers of record do not have their own bond, they rely upon the bond of their customs broker to facilitate clearance in a timely manner. Custom brokers are required to invoice, collect and remit significant outlays of duties and taxes on Canadian imports on behalf of the importer of record, and if the goods have been imported using the broker's bond, the risk of payment lies entirely with the broker.

Robert will provide further details on our current position.

Thank you.

• (1125)

Mr. Robert Closner: Thank you, Mrs. Sider.

Honourable Madam Chair and members of the committee, many thanks for allowing us this opportunity to speak with you.

On March 27, the Department of Finance announced that businesses could defer customs duties and tax payments until the end of June. While the goal of increasing liquidity for Canadian businesses was commendable, it has had a considerable impact on the brokerage industry.

The deferral period placed Livingston and many of our fellow customs brokers at considerable risk. As of June 30, there was a total of \$751 million in duties and taxes owing on imports covered by Livingston's brokerage bond. Livingston paid the entire balance notwithstanding that we had only been able to collect \$680 million of the duties and taxes, resulting in an unprecedented draw on our credit line and in turn a credit risk of \$71 million. Additional unpaid importer duties and taxes continued to accrue during the following months. Through significant increased investment and effort, we have been able to reduce the overall outstanding balance on a year-to-date basis for duties and taxes to approximately \$12 million as of November 11.

In addition to Livingston's efforts, our primary industry association, the Canadian Society of Customs Brokers, as well as other related industry associations, has been in contact with the government since the announcement in March regarding the unintended consequences of duty deferral. Our concerns are directly related to the material cash-flow and credit risk burden that has been transferred to the brokerage industry. Existing government regulations were never designed to address the resulting scenario nor do they offer appropriate protection to the brokerage industry given our current economic climate.

Members of the committee, I trust you can appreciate that we are still carrying a sizeable credit risk. Furthermore, we expect that because of continued regulated closure of non-essential services and related economic impacts, the risk of non-collection of current or

near-term unpaid duties and taxes has increased significantly. The impact of this deferral, although not intended by government, has been to place the brokerage community at a significant financial risk despite the critical role we have played throughout the pandemic.

There has been, prior to COVID, and continues to be, a tightening of the insurance and surety markets globally. This has resulted in an increased cost to obtain surety bonds or increased requirements for cash collateralization of bonds.

As the cost and difficulty of obtaining surety bonds increases more, importers of record will rely on their brokers' bonds to have their goods released. This will result in increased cost and liability for customs brokers. With the introduction of the new CARM initiative—or CBSA's assessment and revenue management—all importers of record will eventually be required to obtain their own individual bonds. While we ultimately support this initiative, if the bond market does not improve, this will result in slowing the flow of trade into Canada and conversely the export of finished goods.

It is imperative that the brokerage industry remain viable to continue to facilitate trade on behalf of importers. However, current gaps in government regulations, inclusive of consistency and clarity, could result in uncollectible debts being thrust upon customs brokers, which would impact our ability to move goods across the border in an efficient and timely manner.

Many customs brokers cannot absorb this debt and will instead change their business practices to require the importers of record to remit duties and taxes in advance of clearance of the importation instead of taking on the risk themselves. This contributes to significant delays in the moving of goods across borders, with consequences for our economy.

The United States is expected to pass legislation to partially address this issue. In 2019, representative Peter King introduced the Customs Business Fairness Act, presently before Congress, which proposes a technical amendment to section 507(d) of the Bankruptcy Code, which would in effect allow subrogation for customs brokers or sureties who have paid duties to the government on behalf of a bankrupt importer. We need similar legislation in Canada.

To address the issue of liability in the near and long-term, we recommend the following actions by government in this budget cycle.

First, we recommend that discussions commence with the Canada Border Security Agency and industry stakeholders on introducing legislation that protects customs brokers in the event of importer bankruptcy. The aim of the new legislation would be to extend protection to brokers who front payment of duties and taxes in good faith on behalf of importers, thus reducing the significant liability for unsecured claims.

• (1130)

Second, we recommend a framework to allow brokers to withhold payment on bad debts. The Receiver General has vast statutory powers in the event of an importer of record's bankruptcy and could provide a mechanism whereby brokers were eligible to file a claim for reimbursement of duties and taxes remitted on behalf of an importer of record when they are unable to collect on that debt.

Third, the creation of a consistent strategy and transparent policy to deal with importers of record defaults is critical. Currently we have been advised that matters will be dealt with on a case by case basis, creating uncertainty and instability for importers and customs brokers, hindering their ability to operate effectively.

I will stop there to allow some time for your questions. Thank you once again for providing us with this opportunity to speak with you today.

The Chair: Thank you, Mr. Closner.

We move on to Mr. Irvine, executive director, Lobster Council of Canada.

Mr. Geoff Irvine (Executive Director, Lobster Council of Canada): Thank you, Madam Chair and members of the committee. We appreciate your having us here today. Greetings from the east coast.

The Lobster Council of Canada is the only table that represents the entire lobster value chain. We're unique in that respect. We have harvesters, dealers, live shippers, processors, first nations all represented around our table. We've been around for about 10 years and we focus on the market.

We focus on marketing and promotion of Canadian lobster, on building our brand around the world, on market intelligence, on communicating within our sector about what's happening in the market, and also on market access and dealing with market access issues, which come up all the time.

We've very thankful to work with your very good officials in GAC and with trade commissioners, whom we find to be excellent for us out in the world.

There is an important, mature and steady market for Canadian live and processed lobster. Over many decades of trade with our commonwealth partners, our exporters have developed strong relationships with restaurant chains.

Can you hear me okay?

The Chair: Yes, we can.

Mr. Geoff Irvine: Thank you. The Wi-Fi is a little unstable.

That's with restaurant chains, independent distributors, retailers and other importers that value high-quality Canadian seafood.

Our exporters have developed really strong and important brand recognition in live lobster, processed lobster and value-added specialty products in the U.K.

Since coming into force in 2017, our trade has benefited from the free and open access provided by CETA, the comprehensive economic and trade agreement between Canada and the European Union.

As the U.K. moves toward leaving the European Union very shortly, it is vital to our industry that an interim agreement be finalized—and the good news is that it seems like it has just to be ratified—and then a permanent trade agreement be negotiated that will provide equal or better access than CETA gave us between our two countries.

Between 2015 and 2019 the export value of live and processed lobster to the U.K. has remained very steady at about \$32 million per year, with strong growth in lobster meat, a return to demand for whole, in-shell frozen lobster and steady live lobster values.

With the closures of restaurants worldwide and the fact that, typically, 70% of Canadian lobster is consumed in the food service sector, lobster exporters have had a tough 2020, like most exporters have. However, many have been able to pivot to directing sales through retail and e-commerce verticals, which has proven to be encouraging and beneficial to everyone in the value chain that I just talked about.

This change in market focus, a significant drop in market demand due to the pandemic, and price decreases on the shore and in the market have dramatically impacted the export value of lobster products to every market, and the U.K. is no exception. Lobster export value for the nine-month period to the end of September 2020 was down 52% from the same period in 2019.

For our live lobster shippers, the pandemic has also impacted air freight options. We take our product to market by plane for live lobster and in container for frozen. Major air carriers have cancelled their flights due to lack of passengers, and our major competitor, the U.S., currently enjoys better air freight options and a shorter transit time to Europe. The benefits of the CETA agreement have helped our live shippers overcome this freight and time-to-market challenge, and we would not want to go backward with a lapse in tariff-free access.

Given that our major competitor is the United States, which also is negotiating with the U.K. on a trade agreement, the Canadian negotiating team should exercise all effort and speed so that Canadian seafood will benefit from being first to secure a favourable trade deal with the United Kingdom.

Another concern noted by lobster exporters involves documentation and certification. It will be vital to our industry that there be a seamless transition to a replacement document certification regime between Canada and the U.K. that will involve the relevant federal agencies.

The largest issue facing our sector is the risk of no interim deal with the U.K., which would mean a return to the MFN tariffs at the beginning of next year, and be in place until an agreement can be reached. Hopefully that's not going to be a problem since it sounds like we have an arrangement already figured out.

Just for reference, though, to put this in clear and easy-to-understand terms, if we don't have a deal, customers of our exporters would be facing an 8% tariff on live lobster, a 16% tariff on whole, in-shell frozen lobster, and a 20% tariff on lobster meat. Both of those last two items are very close to their phase-out, down to zero within the next year.

Given the importance of the market to Canadian live lobster shippers and processors and the ongoing negative market impact of the pandemic, it is critical that an interim agreement with the U.K. be made before the end of the year, and that a more formal agreement be negotiated in 2021.

Thank you very much.

• (1135)

The Chair: Thank you very much, Mr. Irvine.

We'll go on to our members of Parliament, starting with the Conservative Party.

Mr. Lobb, you have six minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Madam Chair.

My first question for Mr. Irvine is with regard to consultation. Could you just tell me how the consultation process worked for you and the trade officials in working on this temporary agreement?

Mr. Geoff Irvine: Well, frankly, I wasn't aware of the agreement until last week, learning that it was close to being finished.

We're in touch with officials at GAC all the time about all kinds of different issues. I reached out to many of my members last week to ask them about the impact of a non-agreement and they were very clear that it wasn't an option, given the importance to many of them of the U.K. for their business.

• (1140)

Mr. Ben Lobb: It doesn't sound as though there is too much at this time.

Have you been given, along the way in the negotiating process, any opportunity to advocate for the tariffs, or is that just understood? With this temporary agreement that was announced on Saturday, do you know what the tariffs will be?

Mr. Geoff Irvine: What I'm told and what I've seen in the news release is that it's a rollover of the CETA tariffs for lobster, so they will be the same as they would have been had the U.K. stayed inside the European Union, so very close to zero for all of those items. No, we weren't informed going through the negotiations, but

I think it's clear that staying in the same place we were is really important for our sector.

Mr. Ben Lobb: Yes, I can agree with that.

I want to ask Ms. Citeau from CAFTA basically the same thing. Many of us have been around Parliament for a number of years, and usually with an agreement, we would have Canadian Cattlemen come out with a statement, Canadian Pork come out with a statement, and a number of different grains associations come out with a statement saying that this is the greatest trade deal of all time. I checked everywhere, and there's nothing. I wonder, first, whether you can give me your thoughts on the consultation process with your organization and your members inside, and whether you could give me an update on what the tariffs are with this new interim deal that some of your members would have.

Ms. Claire Citeau: Sure. On the consultation piece, it's a two-way street. We are closely engaged in this negotiation and others. We monitor and follow it very closely. We've had conversations with the negotiators and the minister's office as well. [*Technical difficulty—Editor*] at consultation other than related [*Technical difficulty—Editor*] that and perhaps it has to do with the [*Technical difficulty—Editor*] for the file and difficulty navigating Brexit in itself, but it's been a bit different. For some of our members the process has been different from the onset. For some of them, it was a bit harder to follow than in previous FTA negotiations—

The Chair: There's no translation?

Ms. Claire Citeau: —so we had to pull them in, but that's the role CAFTA has played.

The Chair: Ms. Citeau, we have a problem with the translation. Could you just hold on for a second?

It appears there's an issue with your network, Ms. Citeau, but let's try that again, your last minute or so.

Ms. Claire Citeau: On consultation, I was saying that it's a two-way street. We've been closely engaged with both negotiators and the minister's office. I will say that—

Mr. Ben Lobb: That's good—

Ms. Claire Citeau: —for some of our members, it has been a bit more difficult to navigate, but this is where CAFTA comes into the picture.

Mr. Ben Lobb: Okay.

My final quick question—

The Chair: Hold on, Mr. Lobb.

We're have a translation problem with Ms. Citeau. It seems it's on her side that the translators are having difficulty picking up her comments.

Mr. Ben Lobb: I think her community's next for the rural broadband initiative, Madam Chair.

The Chair: Hopefully that's so.

Mr. Lobb, could you possibly go to another witness? Then we'll try to get through to Ms. Citeau to see if we can assist a little bit.

Mr. Ben Lobb: My last question to her would be, to her understanding, what are the tariff rates in the interim agreement for Canadian beef and for Canadian pork?

• (1145)

Ms. Claire Citeau: What I can do, without providing details, because we have not yet seen the text of the recently announced interim agreement, and I think it's important that we see the text as soon possible, is to provide some brief examples of what the situation could look like on the grain side moving forward.

The reason that our grains and [*Technical difficulty—Editor*] exporters are pleased with the interim agreement is that with no agreement in place, they would lose the preferential tariff gains that were granted under the CETA. For them it certainly provides much-needed stability, which is very welcome. In the beef sector, for example, there are definitely concerns about non-tariff barriers, in particular at a time when the EU and the U.K. continue to send products into Canadian markets. I understand that they will appear this afternoon, so I will leave it to them to speak to the procedures and volumes that leave them with questions about the viability of the access promised. The pork side is similarly on the fence. They welcome the continuity that the deal provides, but we have to see what the market and conditions will really translate into for them.

For sugar and processed food products, there has been little uptake of opportunities in the EU because of a number of measures and trade-distorting subsidies that make our export uneconomic to the EU. As for the U.K., a traditional deal certainly provides welcome quota access. I will leave it to them to provide specifics as well, knowing that, again, we have not seen the text. It appears that over time there could be measures that could help reduce our trade deficits with the U.K. in food products.

The Chair: Thank you very much.

Mr. Sarai.

Mr. Randeep Sarai (Surrey Centre, Lib.): Thank you, Madam Chair.

I want to begin by thanking Minister Ng and her entire trade department on completing this great deal in a timely manner. This effort I think Canada and the U.K. have worked on. It brings certainty to a lot of our exporters and importers, and as the new year approaches, there's no deadline.

I also want to thank Ms. Bodayan, who has also worked behind the scenes on this one.

First, to Ms. Citeau from CAFTA, where can we see increases? What commodities that are currently perhaps not covered should be covered so that we can increase exports of Canadian agriculture products that Canadian trade negotiators should pay attention to going forward?

Ms. Claire Citeau: I think our understanding is that all the products covered under the CETA agreement in principle are also included in the interim agreement. Again, we have not seen the details of the text. Only with the text will we be able to get that assurance.

That being said, the real focus, the important point to really understand, is that the priority really should be for our members to

negotiate a real meaningful deal with the U.K. We understand that the Prime Minister and the trade minister are committed to getting back to the negotiating table to do so in 2021. We welcome this, but we also urge them to do so and get back to the negotiating table to conclude a meaningful agreement that will remove non-tariff barriers and deliver on viable access.

Mr. Randeep Sarai: Ms. Citeau, I understand that. I'm trying to figure out which commodities are areas that need more improvement past what was in CETA, or is currently probably in the transitional agreement. What areas are ones that Canadian exporters or Canadian industries are looking forward to having barriers removed for in order to increase their exports to the U.K.?

Ms. Claire Citeau: It's really in the area of non-tariff barriers. There remain very significant opportunities in the U.K. It is an important market for us right now, absorbing over the past five years between [*Technical difficulty—Editor*]—

• (1150)

Mr. Randeep Sarai: I think we're losing you.

The Chair: Yes.

Ms. Citeau, we have lost you again—

Ms. Claire Citeau: —a third and a quarter of our exports [*Technical difficulty—Editor*]

Mr. Randeep Sarai: Maybe I will go to Ms. Campbell and ask the same question.

Where can Canada increase their exports with the U.K. going forward? Where should we concentrate our efforts in terms of negotiations so that we can increase our exports and make it easier for our manufacturers or our resource extractors to export to the U.K.?

Ms. Kim Campbell: Thank you very much for your question.

I definitely would concur that it's the non-technical trade barriers that seem to be the challenge, especially in the food space. It's things like what kind of ingredients have to go into foods. The U.K. might have restrictions, and actually so does Canada on the flip side on some things as well.

I think it's industry-specific. Probably the bigger challenge is around things that are health and safety issues like food and items like that. Probably we just need a little more time to reflect and give a fulsome response back to specific sectors.

Part of the challenge, too, is with helping our exporters. It's just the complications of trade. All exporters would have to report their exports to the U.K. It's just having to get onto a system, create documentation and those types of things, especially for small and medium-sized enterprises. We could probably think about how we can support people better to do that.

You're always excited to get your sale, but then all of a sudden you can't get your goods to the market because there's a whole bunch of complication that you didn't understand. That's where a lot of the failure and challenges occur.

Mr. Randeep Sarai: Thank you.

The Chair: Thank you very much, Mr. Sarai. I'm sorry.

We'll go to Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Good morning, everyone.

[*English*]

The Chair: Yes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I want to make our interpreters' job easier. I was told to keep this type of microphone at a good distance. Can you confirm that you're able to hear me properly?

The Clerk of the Committee (Ms. Christine Lafrance): Yes, Mr. Savard-Tremblay, we can hear you properly.

Mr. Simon-Pierre Savard-Tremblay: I want all the stakeholders here today to answer yes or no to my question.

We received only a document that tried to reassure us about what would and wouldn't be in the agreement. However, the document doesn't really go into detail. Several of you commented on whether the agreement is positive.

Do you have more information on the content of the agreement than we do? At this point, we have nothing.

I want each witness to answer yes or no, because I have more questions.

[*English*]

Ms. Kim Campbell: No.

Mr. Geoff Irvine: I have no details.

The Chair: Mr. Closner.

Mr. Robert Closner: No.

The Chair: Ms. Citeau.

Ms. Claire Citeau: We've had discussions with the negotiators. We have not seen the text.

I'd like to emphasize that there have been a number of best practices that have worked well in the past. We are recognizing that negotiators are working under tight timelines. It's important to maintain those best practices. We look forward to continuing to work with them closely in the future.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you for your responses. I appreciate the fact that your presentations often include warnings, expectations, fears and hopes. That said, you'll understand that some elected officials find it rather unusual to have to analyze an agreement when they don't know the content. That's unfortunate.

I'll now turn to Mr. Irvine from the Lobster Council of Canada.

You said that you preferred a permanent agreement rather than a transitional agreement. I want you to explain why you prefer a permanent agreement.

[*English*]

Mr. Geoff Irvine: For our exporters, it's just having the certainty that we have a multi-year agreement for planning. I think it's just good to have certainty. It's good to know that it's not just a one-off or a one-year agreement.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I gather that, since a transitional agreement is easier to implement, you would support the idea in the short term. Is that right?

• (1155)

[*English*]

Mr. Geoff Irvine: Absolutely. From our understanding, a rollover was the way to go for the transitional period and then the parties will negotiate a more formal agreement over time.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

Madam Chair, how much time do I have left?

[*English*]

The Chair: You have two minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Ms. Citeau, I'll now turn to you.

You said that an agreement is very good because it ensures market access, but that this hasn't been enough in previous agreements. The guarantee in writing hasn't been enough in several respects, and the market has remained closed because of various constraints.

What more could be specified in an agreement if the written text doesn't translate into reality?

[*English*]

Ms. Claire Citeau: Because of the translation, I'm told to answer in English, even though I could do it in French.

I think with the CETA—and it may related to some of the problems that you are referring to—it's very important to understand that the problems with CETA are not with the text itself, but the EU's reluctance to abide by the commitments and remove barriers, whether it's the timely approval of biotech traits and the need for predictability in science-based processes, or recognition of our farmers' sustainability practices, the approval of beef processing systems, the illegal trade distorting subsidies, and even the illegal country-of-origin labelling in Italy. The problem is with the EU's reluctance to remove the barriers, not the text itself.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: The text itself couldn't be more specific regarding some aspects left in the dark, which have allowed for these practices. However, an agreement in writing guaranteed you access.

[English]

Ms. Claire Citeau: I think if your alluding to whether or not we would simply copy and paste what was in the CETA over to the agreement with the U.K., I think I would defer to our members and the negotiators once they have concluded a full, comprehensive, and ambitious free trade agreement. That is part of the reason why we need to have those conversations and to get to a point that will really address the barriers that we have in Europe.

You will have seen that our beef exporters have commented on the concerns they have with respect to replicating the issues in the U.K. This is exactly what we're commenting on today as well. There are great obstacles encountered in the EU, and also happening with the U.K.

The Chair: Thank you very much, Ms. Citeau.

We now go to Mr. Blaikie.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

[English]

Mr. Daniel Blaikie: Thank you very much.

I want to continue that them of that line of questioning. If the contention is that's there's no problem with the text of the current CETA, but a difference of interpretation, is it our European partners' point of view that they are breaching the text of the agreement, or do they interpret that same text differently?

Ms. Claire Citeau: I will leave it to them to answer that specific question, but I want to point to the fact that in late October, the Prime Minister, we understand, raised some of our issues with his counterpart as part of the EU-Canada summit. Minister Ng, the same day or the next day, had a meeting with her EU counterpart as well. If you look at the readout, it's clear that the issues that our members face in Europe were raised as well. This is the second time in six months that she has.

Mr. Daniel Blaikie: Where I'm headed with the question is just to try to figure out where these issues get resolved. The Canadian government has been working to try to satisfy Canadian cattle producers that they're getting the access that was promised under CETA for a couple of years now. That's not coming. Wouldn't the resolution actually properly occur at the negotiating table?

Ms. Claire Citeau: You would think so.

Part of the problem is that these are very technical issues. When you talk about the timely approval of biotech traits or the need for predictable science-based import processes and the recognition of beef processing systems, there have been a number of CETA mechanisms to address these. Unfortunately, while discussions have taken place, they have not delivered sufficient positive outcomes to date, which is why we have engaged the ministers. Minister Bibeau has been doing her own advocacy, and Minister Ng as well—

Mr. Daniel Blaikie: In terms of Canada's advocating with our European partners, or in this case our partners in the United Kingdom, we heard at committee on Friday that Canada had essentially walked away from negotiating this agreement between March 2019 and August of this year.

Do you think it would have been advisable for the Canadian government to have continued to engage in conversations with folks in the U.K. on these issues and what a resolution might have looked like in a Canada-U.K. trade agreement instead of leaving it until August of this year?

• (1200)

Ms. Claire Citeau: I think I will respond to that by saying that what our members advocate for, what CAFTA advocates for, is the elimination of tariff and non-tariff barriers, a level playing field with our competitors, liberal rules of origin and an environment that addresses problems and truly enables growth. Traditionally, this has been addressed through ambitious comprehensive FTAs, not limited agreements.

Recognizing that the circumstances of Brexit are quite unique, we really put the honours in the hands of the negotiators and the government to deliver on the best means to reach the end, which is the elimination of tariff and non-tariff barriers to allow our members to grow.

Mr. Daniel Blaikie: Fair enough. I mean, I've heard through testimony on a number of trade agreements, including in the context of this agreement, that Canada's been very ambitious at opening up its markets to foreign exporters in exchange for market access that often doesn't materialize for Canadian exporters.

We've heard all our witnesses talk to the nature of this as a transitional agreement and the importance of ironing out other details in a permanent agreement. We heard on Friday that there is no end date on this agreement. There is no expiration date. That means Canada will have no leverage in getting our U.K. partners back to the negotiating table. I'm wondering if each witness could tell us—just very briefly, because I'm running out of time—whether they support having some kind of sunset clause in the transitional agreement. Whether it be a two-year or five-year sunset clause, it would be some kind of date that would require both parties to come back to the negotiating table.

We can start with Ms. Citeau and then go through the witnesses.

The Chair: Be very brief, please.

Ms. Claire Citeau: I think I would really stick to the commitment made by the PMs and the trade ministers to come back to the table within 2021.

The Chair: Ms. Campbell.

Ms. Kim Campbell: Although it would make sense to have a “hard down”, I have to be honest that the last year or so around these trade agreements has wrecked havoc on importers. It would depend on the clarity of the text. I can tell you that we went into CUSMA weeks before with no regulations and no clarity about what the documentation was. For that reason, I’m a little hesitant to say have a “hard down”. I think as long as there’s predictability, transparency and ease of use for business, I could concur with that, but just in the last year we didn’t get that. Then we careened into having to implement CUSMA in a very difficult way.

The Chair: Mr. Clossner, just quickly, please.

Mr. Robert Clossner: Similar to Ms. Campbell, I think predictability is the vital element here. I think the more predictability, the better. I would be supportive of a drop-dead date that would give that predictability.

The Chair: Mr. Irvine.

Mr. Geoff Irvine: I would agree that [Technical difficulty—Editor] predictability [Technical difficulty—Editor].

The Chair: Thank you very much.

Mr. Aboultaif.

• (1205)

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you to all of the witnesses. Good morning, or good afternoon, wherever you exist.

We heard last week from the department, from the government, about the transitional agreement that is almost a replica of the CETA, but we don’t know what kind of replica. I also heard personally from the industry, specifically the beef industry, dairy producers and the canola and wheat industries. They all have concerns over the existing CETA.

Ms. Citeau, you had a little consultation with the government or the department on this new transitional agreement. Do you believe we are to carry the same problems from the CETA to this agreement? If you could be specific, I would like to hear your comments on canola, beef and dairy producers.

Ms. Claire Citeau: I cannot speak to dairy, as we don’t represent them. In beef certainly, and perhaps pork, yes, they do have concerns about non-tariff barriers at this point.

Mr. Ziad Aboultaif: What about canola?

Ms. Claire Citeau: Canola has not flagged any particular issues on the U.K. front. They have their own set of issues with respect to access to the EU 27 at this point—amongst others, the need to have their farmers’ sustainability practices recognized. We have to see what will transpire with respect to the U.K. market.

Mr. Ziad Aboultaif: Therefore, you don’t have any idea whether this is going to be the same problem that the industry would face or is going to be resolved based on the consultations you’ve gone through.

Ms. Claire Citeau: No, not at this point.

Mr. Ziad Aboultaif: What about the beef producers? In CETA, we know that primary producers have, at their cost, a certified veterinarian come to audit the farm and the feedlot. Do you believe that is also coming through to this new agreement?

Ms. Claire Citeau: I will leave it to our beef members, who I understand are to appear later this afternoon, to provide the specifics, but I will reiterate that there are some concerns on the beef side about non-tariff barriers being replicated with the U.K. market, in particular at a time when the EU and the U.K. continue to send products to the Canadian markets.

Rolling over the terms of a deal that is not being respected by another trading partner certainly is complex. I will defer to them to provide more specifics.

Mr. Ziad Aboultaif: As far as concessions are concerned, you don’t know if any concessions have been given on this in order to be able to sign this transitional agreement sooner than December 31, or January 1, 2021.

With the rush in it, do you believe any concessions have been given in that regard? Do you have any idea?

Ms. Claire Citeau: No.

Mr. Ziad Aboultaif: On the sunset clause, if we’re to assess this agreement and look at the U.K., if the U.K. is very comfortable with this agreement, it could take two, three or four years before there is a final agreement that we would all like to see. Therefore, a sunset clause in this agreement would definitely be beneficial to Canada.

Do you know if there is any discussion on that or if that was part of what you talked to the department or to the government on?

Ms. Claire Citeau: It certainly has not come up in those terms, and because we are under a confidentiality agreement, I will not comment on this. However, I will echo those remarks that have been made earlier on the sunset clause, speaking about the importance of stability and predictability of trade.

I’ll remind the committee, though, that we are not describing this interim agreement as duty-free access or a symbol of free and open trade. Much work remains ahead to get real access for our Canadian agri-food exporters.

Mr. Ziad Aboultaif: If I’m to understand correctly from what you’re saying, the government has not given you any details or any confirmation on the timelines whatsoever, whether in regard to signing this agreement or whether in regard to a sunset clause or any other conditions that could be of protection to our future negotiations.

• (1210)

Ms. Claire Citeau: What we understand is that there are commitments to return to the negotiating table, and we’ve heard leaders speak to that. What further details might be in the text, we have yet to see. Overall, on the consultations, though, we’ve been engaged. We never see any of the text. Remember that this has happened in a very short amount of time over recent weeks and months.

It has been difficult for some of our members to really grasp, from the outset, what was happening. We had to pull them in. We remain closely engaged with the negotiators and we look forward to continuing to work very closely with them in the future. This is very important. It's a two-way street. They negotiate with the policy framework, but our members are looking at it from the market, the industry perspective. This is what some of the discussions are more focused on, rather than the sunset clause per se, which I spoke about earlier.

The Chair: Thank you very much.

We'll move on to Mr. Arya, for five minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

My question is for Ms. Campbell of the Canadian Association of Importers and Exporters.

You mentioned two key things: transparency and predictability. Is there something specific in either the CETA or in the new transitional agreement with the U.K. that you'd like to highlight that might be different from the predictability and transparency issues related to CUSMA?

Ms. Kim Campbell: Thank you very much for that great question.

For us, because we're so close to a drop-dead date here, our request or recommendation was to adopt the existing way that you qualify for duty-free status at the border. That's an additional complication. When goods come across, you actually have to qualify and there's a whole bunch of rigour in terms of a document that you have to give to the customs officials.

With very few weeks to go, we have zero understanding of what that requirement would be. That's why we're asking for continuity of the existing CETA framework.

What we learned with CUSMA was that we had only a couple of weeks to come up with certification, with no guidance. We had to go through the text, figure it out on our own, take our best guess and go.

Mr. Chandra Arya: Some of these are more what I would consider teething problems.

I think CUSMA has almost settled down, and once this transitional agreement has settled down, are there any transparency or predictability issues that you see?

Ms. Kim Campbell: I would say, from an importer and exporter perspective, it would only be how the regulator then deals with them after the fact.

Mr. Chandra Arya: Okay. Thank you.

Amongst your members, if I am not wrong, the majority of the trade is within North America. What is your organization doing to look beyond North America for exports from Canada?

Ms. Kim Campbell: That's a very fair statement. I think that would be applicable to any of our businesses. As you know, we still trade heavily with the North American space.

I feel as though a lot of times we follow the markets where our importers want to go in terms of ease of use. Again, we have lost a

lot of transparency and predictability over the last year where, all of a sudden, exporters are not getting their goods through. That's where the geopolitical tea-leaf-reader part comes in as well, just trying to understand what's going on in the world and looking for markets where there's more predictability and won't be any surprises.

Does that make sense?

Mr. Chandra Arya: How is your organization working with trade commissioners in different parts of the world?

We have signed so many new agreements. I think we have signed enough free trade agreements. Don't you think it is now time to focus on how we can leverage those agreements into exporting more from Canada?

Ms. Kim Campbell: That's a really great point.

I have to be honest with you: Our association probably could do better in partnering with that great network. We find, though, really still the complication is in the technical pieces of this stuff.

You're right. That would be a very smart way for us not only as an association, but to partner with the government as well, and look at these trade agreements and then figure out why people aren't getting in the market.

• (1215)

Mr. Chandra Arya: Thank you.

My next question is for Ms. Citeau of CAFTA.

You mentioned the non-tariff barriers and subsidies as an issue for Canadian exporters to the European Union. I know that non-tariff barriers are a factor in so many trade agreements. We know that when we want export to countries such as India, South Korea or Japan, we always find these non-tariff barriers.

Is there anything specific to the European Union or the U.K. that you need us to look into further?

Ms. Claire Citeau: Absolutely, we have encouraged the committee to do a competitiveness study of Canada's recent free trade agreements, namely the CETA and the CPTPP, in large part to identify opportunities where we're not maximizing the agreement, and certainly the non-tariff barriers with respect to the CETA is a key piece of that.

We would really encourage Parliament as a whole, but the committee, to start the study to review where free trade agreements are not being honoured by trading partners. This is especially important if our agri-food sector is to continue to feed Canadians here, but also families around the world as well, and deliver on growth opportunities across the country. That's non-tariff barriers in the CETA context with respect to the EU, but perhaps I can take this opportunity to also flag the fact that the EU is not the only country that is using non-tariff barriers to block access of agri-food exports, agri-food trade. With Peru, Colombia, Vietnam and a number of countries around the world, there isn't a week that goes by where our members are not faced with non-tariff barriers. This is really a creeping problem.

The Chair: Thank you.

Ms. Claire Citeau: Tariffs come down, but non-tariff barriers come up when we have free trade agreements.

The Chair: Thank you very much, Ms. Citeau.

We'll move on to Mr. Savard-Tremblay for two and a half minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I now want to turn to Mr. Closner and Ms. Sider from Livingston International.

Based on your work as a group, what do you think are the main benefits of this market access? We know that the British market, for example, is very keen on financial services and is very strong in this area. We also know that, in the post-Brexit environment, an infrastructure program will likely be put in place that could benefit engineering companies.

Is there anything else that we should spontaneously consider?

[*English*]

Ms. Candace Sider: It's an interesting time in our industry and really also in world growth and the economy in terms of predictability and stability in our environment, especially as we move through COVID. Some of the challenges will definitely be as we adapt to this new agreement. The devil is in the details and how we manage and implement that for the future.

Exporting for Canada and trade relationships are critical for our growth and for stabilizing our economy. In our particular industry, we deal with importers and exporters every day who are looking at new sources and opportunities to go to new and emerging markets to do business. The financial complexity, depending on whether goods are duty-free or dutiable does in fact carry some level of risk for importers and exporters, as well as brokers who are facilitating trade.

The Chair: Thank you very much.

I'm checking the time here.

We'll move on to Mr. Blaikie for two and a half minutes.

• (1220)

Mr. Daniel Blaikie: When parliamentarians are looking at a trade deal and the enacting legislation, beyond the interest of the businesses that are going to do business under the agreement, of course, there are public interest questions. Trying to digest that and make a decision takes time. The government has left this for a long time. They suspended negotiations between March 2019 and August 2020.

I'd like to start with our witnesses from Livingston International.

In the event that the enabling legislation for this deal doesn't make it through Parliament by December 31, what kinds of things do you think might be of service to Canadian importers and exporters in order to help them through a period of time where Canada and the U.K. are not covered by a trade agreement?

Ms. Candace Sider: That's a great question.

We often find that as new trade agreements are being negotiated, companies come to us for guidance on how they can leverage their business and how they can leverage the opportunity to be able to do trade with a particular country or a new country. They're always looking at those preferential duty rates and how they would qualify.

Ms. Campbell made reference earlier to some of those rules of origin and how companies qualify. That was a huge issue under CUSMA. Again, it was at the eleventh hour and trying to facilitate, educate and counsel importers on the best way forward when there were a lot of grey areas.

The more we can provide that granular level of detail...it provides much more certainty for those importers and exporters who are looking to do business and take benefit of those new agreements.

Mr. Daniel Blaikie: Ms. Campbell—

The Chair: Mr. Blaikie, you have half a minute, so please be quick with it.

Mr. Daniel Blaikie: Sure.

Ms. Campbell, can you provide a bit of an answer to the same question?

Ms. Kim Campbell: Sure. My understanding is that if we don't have this agreement in place at the end of December, then importers and exporters whose goods will be going to the U.K. will then be dutiable. That would be an additional cost that is not on their balance sheets today, and that they would have to absorb. They would either need support around that, or hopefully people will come together and provide this transitional agreement to alleviate that additional cost.

Mr. Daniel Blaikie: That's a cash-flow issue that government might be able to assist with.

Ms. Kim Campbell: Yes, and a direct cost. For sure, somebody is going to have to eat it.

Mr. Daniel Blaikie: Thank you.

The Chair: Thank you very much.

We'll go on to Ms. Gray, for five minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair.

I have some questions for our customs brokers here today.

First of all, were you aware of any consultation process by the minister or officials, or any type of outreach, any structure by which you were able to provide input into a Canada-U.K. trade agreement, transitional or not?

Ms. Candace Sider: Thank you for that question, but my understanding is no.

Mrs. Tracy Gray: We've heard that from across sectors.

You had testified on the challenges of giving advice on the implementation of CUSMA because of the way it occurred so quickly and it was a rush. Presumably you work with a lot of small businesses. I was a small business owner myself and people do go to organizations such as yours to get solid advice.

Are you finding right now that small business owners are reaching out and looking for clarity as to what the arrangements might be by the end of the year between Canada and the U.K.?

Ms. Candace Sider: Absolutely, we are seeing companies very concerned, especially small and medium-sized businesses that are often not very savvy with navigating trade environments. They're really looking to a service provider for that level of guidance for them to be able to effectively manage what is oftentimes a myriad of regulations prior to a new trade agreement coming into place and how do they qualify.

Mrs. Tracy Gray: We're around five weeks away from potentially having a new transitional agreement. Are you finding it a challenge right now to give accurate information to your clients?

• (1225)

Ms. Candace Sider: It's a challenge, but it's also an opportunity for us, because oftentimes we're dissecting those agreements well in advance of their actual implementation and highlighting the grey areas, the areas on which we need additional information in order to provide the best advice forward for our clients.

In our industry, we do this every day. We're always taking a look at what's coming down the pipeline in terms of those trade agreements that are being negotiated and their impact on the client base, whether it's importers or exporters, and how they navigate them.

Mrs. Tracy Gray: Thank you for that information. From what we heard today, we're looking at two to four weeks out before we actually have all the details. That puts us literally within a week or a few weeks of full implementation. I'm sure that will definitely create some extra pressures.

You mentioned how predictability and stability is really important for your industry and the organizations that you work with. Not having a sunset clause does create some certain levels of immediate

stability, I guess you could say, but what would be the motivation to really get to the table again quickly, especially considering that the U.K. is negotiating with a lot of other countries right now, and with Canada, we have this transitional agreement that will be in place for a while?

What do you think the motivation is to actually get to the table and deal with some of the issues that we've heard about in testimony today?

Ms. Candace Sider: From my perspective, obviously when we talk about duty rates and the impact on companies, again, to make reference to Ms. Campbell's comment, the bottom line is that if it's not on their balance sheet and they didn't anticipate it, it's going to be a challenge in terms of how they do business and how they execute that.

Having a transitional agreement but with a lot of unanswered questions does not provide that level of certainty and predictability for trade.

The Chair: Thank you very much.

We'll go on to Ms. Bendayan, for five minutes.

Ms. Rachel Bendayan: Thank you, Madam Chair.

Picking up on that conversation regarding a sunset clause, I just want to make sure that everybody is clear about what that is. When our witnesses talk about the importance of predictability and stability for our business owners, a sunset clause would effectively repeal the trade agreement, possibly before the conclusion of a comprehensive trade agreement, so that would be the opposite of providing continuity for our business owners.

[Translation]

I have a question for Ms. Citeau about our industry.

Perhaps you could confirm the following. Without the transitional agreement, if we look at the United Kingdom's tariff schedule, we're talking about tariffs of about 16% on beef, around 12% on lamb and 8% on poultry.

When you learned over the weekend that we had reached a continuity agreement with the United Kingdom, how did your association and its exporters react?

[English]

Ms. Claire Citeau: Overall, it was good because, as I mentioned, it provides stability and continued access—and it seems to maintain existing benefits—to the U.K. market. For those exporters, in particular, on the grain side, this is really welcome news.

There are some concerns, of course, for the meat sector, which is why our industry overall says that we need a meaningful agreement that will deliver on long-term and viable commercial access to the U.K. market.

Our first priority, of course, is to negotiate an agreement that will address all of the barriers that we have with the United Kingdom. This does address the stability issues for a lot of actors, but it doesn't get to the finish line, so we are not fully there yet.

• (1230)

[*Translation*]

Ms. Rachel Bendayan: Thank you, Ms. Citeau.

I believe that you said this earlier. However, I can confirm that the agreement will include a commitment to return to the table to negotiate a comprehensive agreement with the United Kingdom in 2021.

I want to ask you to commit to providing certain documents to the committee so that we can be prepared for any eventuality. I'm talking about documents that set out the quantities of exports and products that may be subject to tariffs according to the United Kingdom's tariff schedule.

[*English*]

Mr. Irvine, I might ask you the same question. Would it be possible for you to file with the committee the documents detailing the quantities? For example, you mentioned that an 8% tariff would apply on live lobster. I think you mentioned 16% for whole frozen lobsters and 20% for lobster meat.

If we could just have an understanding as a committee of the quantities of those exports so that we can prepare for any eventuality, Mr. Irvine, that would certainly be appreciated.

Mr. Geoff Irvine: Absolutely.

Ms. Rachel Bendayan: Thank you very much.

Perhaps, as a final question to both Mr. Irvine and Madame Citeau, were you involved in what I believe was approximately seven years of negotiations and extensive consultations with respect to the conclusion of CETA?

We had heard from Mr. Verheul, who was our chief negotiator at the time, that Canadian stakeholders and in particular our exporters in the agriculture sector, including seafood and meat, were very much involved and were in fact briefed on a daily basis toward the end of those negotiations. Is that accurate?

Mr. Geoff Irvine: Yes.

Ms. Claire Citeau: Very much so.

The Chair: Thank you all very much.

We will move on to Mr. Hoback for five minutes.

Mr. Randy Hoback (Prince Albert, CPC): Of course they would have been consulted. The Conservatives started that process. We set up a really good communications plan for them to be consulted and to be part of it, so I'm not surprised to hear those answers.

I'm curious though. Under the consultations in 2017-18, when they gazetted the fact that they were going to make an agreement with the U.K., and then in 2019 when they decided to pull out of it, did they consult with you before doing so?

Let's start with you, Ms. Campbell, and then we'll move on to Ms. Citeau.

Ms. Kim Campbell: No, our association was not consulted.

Mr. Randy Hoback: Ms. Citeau, were you consulted?

Ms. Claire Citeau: From our understanding, there was no Gazette notice on a traditional agreement or an FTA with the U.K. The Gazette notice, from our perspective, was with respect to the U.K.'s WTO commitments, so it was different. We did have one-on-one consultations and engagements with negotiators.

Mr. Randy Hoback: Okay, with negotiators—

Ms. Claire Citeau: It was not through the Gazette process, but we had engagements.

Mr. Randy Hoback: When they said, “Hey, we're not going to continue on with our negotiations with the U.K.,” had they told you that before they did it, or did they just do it?

Ms. Claire Citeau: We were engaged throughout, and our message has remained the same—

Mr. Randy Hoback: Did you know about it beforehand?

Ms. Claire Citeau: I can't—

Mr. Randy Hoback: If the negotiator came to you, Ms. Citeau, and said, “Hey”—

Ms. Claire Citeau: I can't recall.

Mr. Randy Hoback: Okay, that's fair enough. I'll leave it at that.

In the lobster sector...I know the Halifax airport, for example, was struggling to ship lobsters into the U.K. and Europe because of the traffic there. What is the real opportunity lost if we don't see this all come back?

Mr. Geoff Irvine: What might we not see come back?

Mr. Randy Hoback: I am referring to the airline traffic and that whole aspect of it.

Mr. Geoff Irvine: Well, we'll have to find other ways to get to market, or we'll have to sell to other markets. We've seen a really dramatic change in air traffic to Europe, but to Asia, it has been very good. We're selling a lot more lobster to China because we can get there.

Mr. Randy Hoback: Fair enough.

Ms. Campbell, you talked about CUSMA's implementation. Under CUSMA, you actually had an implementation period, you actually had some adaptation to go forward and make some adjustments at the border. It wasn't long enough, but you did have some. Under this agreement, we don't even have a parliamentary approval deadline in place that we can possibly meet, December 31. They haven't given us any time to even pass this. We haven't even seen it, yet they're going to tell you on December 31, “Go ahead and ship away.” From a shipper's point of view, what paperwork do I fill out on January 1 that meets the requirements in the U.K.?

• (1235)

Ms. Kim Campbell: Unless we have a transitional agreement that outlines that, or some kind of interim directive, I have no idea.

Mr. Randy Hoback: Do you have any sense of when you're going to get an idea of what this looks like?

Ms. Kim Campbell: No.

Mr. Randy Hoback: Have they consulted with you on what you require for that paperwork?

Ms. Kim Campbell: The only thing I can say is that, reading the tea leaves again through some of the press releases, it does sound like it was going to be an adaptation of CETA, but not a cut and paste. Of course, for someone who likes predictability and transparency, that is not making us 100% comfortable, but in many ways, we hope that our Government of Canada would be working on behalf of business to make sure we're going to be okay. At this point, we don't know that for a fact.

Mr. Randy Hoback: You have no clue, and no way of knowing.

Cut and paste, it sounds simple: "Okay, it's the EU, it should be the same." It isn't the same, though, because it's the U.K. and the U.K. has its own interesting dynamics, which are different from the EU's. To say an EU form now works in the U.K.—is it fair to say that would be the smartest thing to do?

Ms. Kim Campbell: It would only be because of the time frame. That might be part of the consideration for the transition, but you're right, knowing how these things work, it doesn't make sense that it would be exactly the same. It will have to have its own unique form or format at some point.

Mr. Randy Hoback: This goes back to the negotiations. What are the must-haves? What do we have to see in the transition agreement that needs to be effective so we can continue on? What kind of time frame do you need for them to be delivered to you so that you can actually adapt to these new time frames?

Ms. Kim Campbell: I guess, in our submission, depending on the decision.... Obviously, the preferred path was to be able to use exactly what we have today, because it would be almost impossible at this point to go back to exporters to have these forms changed. The other alternative we've offered if that's not feasible is to allow importers to actually do the certification based on what they have today. That was an addition to the CUSMA that honestly, if we didn't have it, I'm not sure what would have happened on July 1. That is definitely another consideration that would be extremely helpful if we can't get that rolled over the same format.

Mr. Randy Hoback: Let me look at this, then. We've made the government aware of all of the faults in CETA with our agriculture producers. Now you're going to roll all of those into the U.K. agreement and keep them the same when you maybe had a chance to address it at that point. It sounds like you're going to get the exact same scenario and the same problems as you had in CETA.

What is there for the U.K. government to come back to us and say "Yes, let's renew this agreement, let's finalize it"? Is it more accurate to say this is the agreement? If that's the case, do I not have to treat it as a long-term agreement, as a member of Parliament, Ms. Citeau?

Ms. Claire Citeau: Clearly we need to have some leverage to bring the U.K. back to the negotiating table, either on a bilateral basis or through the CPTPP framework, as a means to get to address those non-tariff barriers in a meaningful way.

Mr. Randy Hoback: You know, CPTPP—

The Chair: I'm sorry, Mr. Hoback, but you have run out of time.

Mr. Sheehan.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Madam Chair, and to our presenters too.

I want to echo my congratulations to the parliamentary secretary and the minister for international trade on the announcement this past week.

As we know, 2020 has been a very unprecedented year, with not only the pandemic but a number of events that have been happening around the world. The United Kingdom left the EU on January 31, 2020, just prior to the pandemic.

Mr. Daniel Blaikie: Madam Chair, may I interrupt on a quick point of order?

Am I the only one who is not getting Mr. Sheehan's video coming through?

The Chair: No, what I'm seeing is a picture—

Mr. Sheehan, can you turn your camera on?

Mr. Terry Sheehan: Yes, I'm sorry about that.

The Chair: Thank you, Mr. Blaikie.

Go ahead.

Mr. Terry Sheehan: I want to point out that just prior to the pandemic, with the United Kingdom leaving it was really important for us to continue to negotiate, with all that was going on. Again, therefore, I emphasize my congratulations to all involved in getting us to this point, because 2020 has been a very challenging time. Within that context, we have to recognize that we were able to get to this point.

My understanding is that 98% of products that are being protected tariff-free between Canada and the United States, until such time as we get to the point of the long-term deal, which is going to be debated in the House of Commons.... This committee has always been proactive, and we've undertaken this really important work.

I have a few questions about this really important subject matter, because we know we are no longer going to be covered as of January 21, 2021.

One question I wanted to ask in particular was this. We had an earlier presentation from Gerry Fowler, from Manna International Inc. He deals in organic soybeans. I wanted to ask whether any of the committee presenters had any idea about how these particular soybeans would be treated under the current situation.

Gerry Fowler is from Sault Ste. Marie, but he trades substantially and has been doing so for 20 years with the United Kingdom and Europe, in particular in organic-certified soybeans that are non-genetically modified. It's quite a niche market. He represents a number of farmers across Canada who are exporting into the United Kingdom.

Through you, Madam Chair, to our presenter perhaps from the agricultural group, I'll ask if they have any information on this. If they don't, they can provide it to me later.

• (1240)

Ms. Claire Citeau: We'll need to go to our member specifically for that very specific question.

Mr. Terry Sheehan: Okay, thank you very much. I just wanted to ask, because it's very important. Obviously it's a great market.

Overall, with 98% of the products being protected that are tariff-free, we've talked about a lot of things, such as that the devil will be in the details and that an agreement will be introduced and debated in Parliament. I would like to talk, however, about what tools your clients are using right now, in particular small business and women entrepreneurs. What kinds of tools are at their disposal in expanding their exports and imports, or also as well in taking a look at opportunities for what I'll call new folks?

I think one thing this pandemic has done is cause a lot of people to start to think like Gerry Fowler and say, "I am in Sault Ste. Marie", or "I'm out in western Canada", or "I'm out in eastern Canada, but I know that I can virtually get through to some market".

Do you have any comments about what your small businesses are doing? In particular, there was a recent announcement about virtual trade missions. Are any of your clients interested, or are they aware?

Thank you, Madam Chair.

Mr. Geoff Irvine: I can pick up on that one, if you want.

The Chair: Go ahead, please, Mr. Irvine.

Mr. Geoff Irvine: Absolutely.

We were just a proponent for a project that did virtual trade missions to Hong Kong, Taiwan and mainland China, and we had 18 Atlantic Canadian exporters spend 21 days doing those B2B meetings. There was lots of interest in that, given that most people would be going to trade shows or going to visit their customers. Now we do it virtually.

Mr. Terry Sheehan: That's amazing. You feel it's successful, and there's probably going to be some follow-up. I don't know if you surveyed them or had comments from the participants. How do they find it?

Mr. Geoff Irvine: We always do a survey afterwards. We did the Hong Kong one with a platform from Montreal called B2B/2GO, and we did two of them using traditional methods with consultants and trade commissioners. There were good comments on all. They're generally very successful and very cost-efficient, versus going to the market in person. It went really well.

The Chair: Thank you very much.

To our witnesses, I'm afraid our time is up for today, but I want to thank you all for your very valuable—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Madam Chair, I have a point of order.

[*English*]

The Chair: Go ahead, Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Before we give the floor to our witnesses, I want to verify something.

Ms. Citeau, when answering one of my questions earlier, you said that you were asked to respond in English, even if you wanted to respond in French. Of course, I want to make sure that the witnesses can always speak in French before this committee.

Could you tell me the nature of the request?

Ms. Claire Citeau: I was asked to speak in French?

Mr. Simon-Pierre Savard-Tremblay: You said that you were asked to speak in English.

Ms. Claire Citeau: No. Last week, the technician told me, while checking to see whether my system was working, that if I didn't update the system, I may need to respond only in English if I started my comments in that language. I was confused and I was unable to update my system. I was under the impression that, if I started my remarks in English, I would also need to do everything else in English.

I just received a note from the clerk, whom I want to thank. She explained that I could speak in French if I wished to do so. I think that there was a small communication issue with the technician concerning the update of my system.

I'm pleased to be able to speak in French when I have the opportunity to do so.

• (1245)

Mr. Simon-Pierre Savard-Tremblay: All's well that ends well. Rest assured that, like all the other witnesses, you're free to speak in French, that this matter is important and that the committee will make sure that you can do so.

[*English*]

The Chair: Absolutely.

Thank you for raising the point, Mr. Savard-Tremblay.

The witnesses are free to exit. The committee has to take a few minutes for some committee business.

I will suspend just for one minute so that the witnesses can leave.

• (1245) _____ (Pause) _____

• (1245)

The Chair: I wanted to get some discussion from the committee on the following. We were supposed to do an interim report, but if the analysts feel they have insufficient information at this time, would we want to defer any issue of a report until such time as we have had a chance to actually see the legislation we're talking about and, possibly in the new year, spend some time with other stakeholders getting some additional comments?

What are the thoughts of the committee? Does anybody have any thoughts on whether or not we need to...?

Yes, please, Mr. Savard-Tremblay.

I'm sorry. I can't hear. Who is going to be on the speakers list here?

The Chair: I'm sorry, Mr. Savard-Tremblay. Give me a minute.

I have Mr. Lobb and then Mr. Savard-Tremblay.

Go ahead, Mr. Lobb

Mr. Ben Lobb: Thank you, Madam Chair.

I would suggest that we go forward with an interim report. That's just my own feeling. I feel that there's a lot of good information that we can include in this interim report. In my estimation, one would be that the U.K. is reporting that this is basically just a rollover of CETA. I think that would be important information to include in the interim report, that we basically have a rollover of CETA.

Another thing that might be interesting in an interim report is the difference between what the U.K. offered in the beginning, which was basically 95% no tariff versus 98%. That's for preferential access. It would be interesting to see what we gave up to gain the extra 3%.

The other thing we can include in this interim report is maybe the importance of more transparency in negotiations. This would be over a number of years, even before 2015. There needs to be more information, there needs to be more consultation, and it needs to be more open and transparent. In an interim report, we can include the importance of that.

I have the utmost respect for my Liberal colleagues, for sure, and when we were in government as well, it's very difficult to ask members of the government to defend an interim trade deal when they know 0% about it. If you at least have some information, it would be good. It would be good as a government to be able to defend that.

When I read in some of the U.K. publications that this trade deal is going to be good for Scottish beef and Scottish salmon, I raise a bit of an eyebrow, considering that we're supposed to be the beef exporting country in this deal. It's a good result for U.K. wine and U.K. spirits; we can see the spirit side of it. Then, in a bit of what I don't want to call a sovereignty issue, but in Ontario, I read in a U.K. paper that they're talking about more competitive access to the LCBO, which is a provincial regulator.

There's a lot of value in an interim report and it could give guidance to future deals. It could give guidance to the long-term deal between Canada and the U.K.

That's a long ramble, but that's a little about what's on my mind on the value of an interim report and another trade deal.

• (1250)

The Chair: Thank you.

The Clerk: Madam Chair, on the speaking list I have Ms. Bendayan, Mr. Savard-Tremblay and Ms. Gray.

The Chair: Thank you.

Ms. Bendayan.

[*Translation*]

Ms. Rachel Bendayan: I think that it was Mr. Savard-Tremblay's turn, Madam Chair.

Mr. Simon-Pierre Savard-Tremblay: Nevertheless, I'm giving you the floor, Ms. Bendayan.

[*English*]

The Chair: Mr. Savard-Tremblay, please go ahead.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I gave my turn to Ms. Bendayan.

Ms. Rachel Bendayan: Thank you. I appreciate it.

Basically, I completely agree with my Conservative colleague. The negotiations ended just 48 hours ago, and the text should certainly be produced.

We must go through the normal process, which is very important. I'm an international trade lawyer, and I think that the lawyers must review the text. We have no choice but to go through the process. As soon as the text is available, we could study it properly.

I find it interesting that my Conservative colleague agrees with the idea of an interim report. Personally, I'm in favour of it. We've already heard several relevant presentations. I believe that the minister will be available next week. I emphasized that the committee members would want to ask the minister questions as soon as possible. This was clear based on our last meeting. I'm announcing that she will be here on Monday to answer our questions.

After her presentation on Monday evening, and depending on what she says, we'll have more information to include in an interim report, if that's what all the committee members want. That said, if my colleagues would rather wait for a more comprehensive report at a later date, I'm also open to the idea.

[*English*]

The Chair: Mr. Savard-Tremblay.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: I want to focus primarily on the nature of the report. It's hard for us to comment on something that we're unfamiliar with. We've heard from several witnesses. However, they have mostly told us about their expectations, their hopes, their warnings and their fears. Once again, all this remains hypothetical. It's hard for us to write the report under these circumstances.

Madam Chair, you spoke about the possibility of doing this early next year, within the time frame provided, when the agreement will have already been ratified. I want to know more specifically what type of report we're talking about. It seems difficult to write the report at this time.

[English]

The Chair: On my list I have Mr. Blaikie, and then Ms. Gray.

Mr. Daniel Blaikie: Thank you very much.

My understanding was that Ms. Gray was ahead of me on the speaking list, so if she would like to go ahead, that's fine.

The Chair: Okay, I'm sorry. The speakers list is new and it's only partially current.

Ms. Gray, please go ahead.

Mrs. Tracy Gray: Thank you very much, Madam Chair.

I just want to bring everybody back to what this study actually is. That's what our focus is. We're confusing and bringing other things into the conversation.

The study actually is no less than three meetings, and we've now had three meetings, to receive an update on the federal government's progress in negotiations of a Canada-United Kingdom transitional agreement; to hear from stakeholders affected by implementation of the new Canada-U.K. transitional agreement; and to study the impacts of a lack of a transitional agreement with the U.K. Then it goes on with the rest of the wording.

When we look at what the study was when we all mutually agreed to do this as the first study in the order of business for this committee, we also knew that in tandem there were negotiations going on. Therefore, I don't really see anything as changing here. All of us, as a committee, had agreed last week to an interim report, so here we are.

I'm unclear what the analysts mean that they don't have sufficient information, because we've actually had three meetings. The motion said a minimum of three meetings and we've heard from the primary groups that we were looking at hearing from. Regardless of the government's announcement and that we don't yet have any text or any details, I think we can still move forward with the work of this committee and just continue on with what the study was and what it is.

I think we can just continue on.

• (1255)

The Chair: Before I go to Mr. Blaikie, could I possibly ask the analysts about this?

It was the analysts who indicated that to put out an interim report at this point following today's meeting, there was insufficient information. Can the analysts make a comment on whether they feel that they have sufficient information following today to table an interim report, or do they have another suggestion?

Mr. Bashar Abu Taleb (Committee Researcher): Thank you, Madam Chair. May I speak?

The Chair: Yes, please.

Mr. Bashar Abu Taleb: Thank you, Madam Chair.

We as analysts of course will be happy to assist the committee in any direction it chooses. Our proposal, based on the initial timeline, was that we could include testimony up to the meetings we'd have today by the committee. Of course, we can draft a report, but it's not just our drafting; it's also approval and translation. Therefore, if the committee wishes to include the testimony that's going to be received on Friday and Monday, maybe the timeline for our interim report would have to be pushed back a bit.

The Chair: Okay. Thank you very much, sir.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much.

I think we are all just sorting through this. I apologize if my remarks aren't quite as cogent as they might like.

I think there is an issue that comes up with respect to the study in general. We have been setting the potential for a transitional trade agreement, what it might look like and what people would like to see in such an agreement.

The fact, though, that there is now an agreement signed—although we haven't seen it—means that we're at the end of the study of a potential trade agreement, and I think we could publish a final report on it, because what we don't know is just as important as what we do know.

We might report back to the House some of the things we don't know. Some of the open questions that have been raised are things that are important to consider. We could issue a report, wrap this up and then move on to the study of the actual agreement.

I'll be honest. I don't know that there's a lot of point in meeting with witnesses on the Canada-U.K. trade agreement until we have the text of the agreement, because we're going to be asking people to come to make presentations to committee, but nobody actually knows what's in the agreement.

We saw a little bit of that today, when we were pressing witnesses who don't know anything about what's in the agreement to give their opinion about something they don't know about. It's hard for me to imagine that we're going to get productive testimony, because everyone is going to want—and not wrongly—to defer until they know what is actually in the agreement before giving any real, meaty comment on what they think works and what they think doesn't.

Again, this isn't a considered position, given that the agreement was just announced on the weekend. We don't actually know when we're going to get it. If it takes four weeks to do the legal scrubbing and the translation....

Parliament isn't even supposed to be sitting in four weeks' time. I think that takes us to December 23 or thereabouts; I'm not exactly sure.

I don't know what the government is doing and I don't know how the committee is really supposed to respond within the context of a process that is completely unclear and in the context of studying a document we don't have access to.

I think what we could do, then, is wrap up what we've heard so far within the context of this study and report back on that: the things we know—not much—the things we don't know, which is even more, and then undertake the study that we would normally undertake anyway. There should be enabling legislation, and we'll call witnesses to hear about it.

How we get that done before December 31, I have no idea. I'd be interested to hear how the government thinks it could be accomplished, when they don't think they can even deliver the agreement to parliamentarians until at least two weeks from now.

From the point of view of what we do know as a committee, we could wrap up this potential future-oriented study and then begin again with witnesses once we have the text of the agreement.

I put that out for discussion.

I also hear what Ms. Gray is saying. We could just proceed with this study and roll it into a study of the legislation when it comes, but we may well want to hear from the very same witnesses again once we've seen the text of the agreement. I wonder about calling them now and then calling them two or three weeks from now. I ask whether it wouldn't be better just to wait until we actually know what the heck the government has committed the country to. Then we can ask for people's opinions on it.

Thank you.

● (1300)

The Chair: Those are very good points.

I now have Mr. Hoback and then Ms. Bendayan.

Mr. Randy Hoback: I'll be very quick.

I'm thinking about this in a hundred different ways and trying to figure out what the best way to proceed is.

The reality is, I don't have an agreement. Until it's tabled in the House, even though it has supposedly been signed I don't have it. I have to report on what I have at hand today. I think that was our game plan. Translation requires this time frame, so they required this deadline.

I think we have to proceed with the interim report, table it in the House and then look, moving forward, at how we can proceed further. We can adapt an interim report. In the final report we can change things around and have our final report afterwards.

As for the implementation legislation, I'm not sure what it looks like either and how it's going to work through the House. I agree with Mr. Blaikie that the time frame is really very tight.

The other thing that I think is very important is that we're listening to witnesses right now who haven't seen the agreement and are

laying out their expectations. I want to know what those expectations are so that when I look at the actual agreement I can weigh it and say: "Wait a minute. You were told in your consultations with these guys that this is what they expected, and here is what you delivered."

I think we have to highlight some of the problems that happened in this agreement so that they are never repeated again, and the interim report will help us do that.

The Chair: Thank you, Mr. Hoback.

It's on to Ms. Bendayan.

Ms. Rachel Bendayan: Thank you, Madam Chair.

I believe I stated this at the beginning of the meeting, but I'll just correct the record.

The Canada-United Kingdom continuity trade agreement has not been signed. The negotiations have concluded. We have reached an agreement, but there is no text for signature yet. That is what the lawyers are preparing right now.

I would just encourage all members to take note of that. It is not like there is a signed agreement sitting in anybody's drawer at the office that we are not sharing. There is no signed agreement yet.

Again, as I mentioned, this is all happening very quickly. The announcement was made on Saturday morning, and the minister is appearing on Monday next in order to respond to some of the concerns and questions that have been raised by colleagues on all sides regarding next steps and the passage in the House.

I think I'm hearing a consensus. Certainly, Mr. Blaikie has raised a proposal that I find very interesting. I won't speak for others, but I think it follows very well from what some of the Conservative colleagues have been saying, in that perhaps we should conclude our interim report with as much information as possible at this time, and then move on to a full study of the agreement once we have the text and once everybody can appreciate the details of this continuity agreement.

Madam Chair, I don't know how you wish to proceed, given the time. Would you like me to put forward the proposal? If another colleague would like to do so, I am certainly open to perhaps Mr. Blaikie putting it forward as I believe it was his suggestion.

The Clerk: We have Mrs. Gray on the speaking list before Mr. Aboultaif.

The Chair: Okay. I think we're all saying the same thing.

Mrs. Gray, I'll possibly give the last word to you because we've passed our time.

● (1305)

Mrs. Tracy Gray: Thank you, Madam Chair.

I think we can just move forward with having the interim report and leave it like that at this point because there is still uncertainty about timelines and what we're looking at. Without making any other amendments to what our original study is, I think we can just move forward with agreeing to have the interim report, and then we can look at it once we have more information.

The Chair: Terrific. Thank you very much.

Thank you to everyone. Have a wonderful day, and good luck to everybody.

The meeting is adjourned.

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