

# AIT Context

- Reconciliation of domestic regs & standards is central to AIT
- Focus of at least 5 chapters
- Regs/sts. expected to meet legitimate objectives and other tests
- Regulators still have wide discretion

# Current Domestic Context

- Persistent external pressure : impact of multi-jurisdictional regulatory activity on competitiveness
- Federal Smart Regulation initiative
- Council of Federation internal trade action plan
- Cross-border harmonization discussion

# International Trade Context

- Complex issue for trade agreements
- Canada-US economic integration maybe outpacing institutional mechanisms
- Trade & inv. negotiations with EU (TIEA) features regulatory cooperation
- Occupational mobility becoming an issue

# Mandate

“Accelerate harmonization to reduce and prevent barriers “ :

1. Status report
2. Options

Scope : Smart regulation

Intergovt'l reconciliation efforts

# Smart Regulation & reg.reconciliation are intertwined : common elements

- Impact assessments
- Transparency & consultations
- Accountability & recourse
- Alternative approaches to regulation
- MRAs & uniform national standards
- Single window access & e-transactions
- Targeting problematic sectors

# OECD Principles : Market Openness

- Transparency & openness of decision-making
- Non-discrimination
- Avoid unnecessary trade barriers
- Use national/international standards
- Streamline conformity assessment (eg MRAs)
- Applic. of competition principles (inc.process for challenging actions)

# International Experience

- Wide use of regulatory impact assessments
- Central agency or 3<sup>rd</sup> party review of existing regs. becoming more frequent
- Trade advocacy & reform tracking are spotty
- More options for determining equivalency/conformity
- Quality control is a problem
- Stakeholder involvement is important but there is “consultation fatigue”

# Australia

- Major de-regulation and reg. reform agenda in '90s , direct link to econ. competitiveness agenda
- Cross-sectoral MRA in '92 ensured interstate acceptance for most goods and services
- Push towards national standards via joint regulatory bodies (ministerial councils)
- General applic. of Reg.Impact Statements regime and reg. guidelines
- Challenges : reg. activity is still fragmented ; transparency & consultation varies ; mechanisms to manage & track reforms lacking



# Challenges in Canada

- Legislative and regulatory approval processes slow
- Inconsistent approach to keeping red tape in check
- Reconciliation efforts among govts do not get priority attention or resources
- Stakeholders often divided , if not parochial
- FPT jurisdictional overlap (eg environment)
- Occupations often self-regulating ; insensitivity to non-residents, esp.foreigners
- Insularity re evolving international standards , pace of change

# REGULATORY POWERS ACROSS LEVELS OF GOVERNMENT

ECONOMIC & SOCIAL ISSUES	FEDERAL	PROVINCIAL
Telecommunications	❄	-
Electricity	❄	❄
Gas	-	❄
Financial services	❄	❄
Postal services	❄	-
Inter-city buses	-	❄
Inter-Provincial	❄	-
Trucking	❄	❄
Rail transport	❄	❄
Air transport	❄	-

# ECONOMIC & SOCIAL ISSUES

# FEDERAL

# PROVINCIAL

Agriculture



Water use



Regulated professions or trades



Infrastructure investment



Pharmaceuticals



Health care



Road safety



Aviation safety



-

Water treatment



Environment



Consumer protection and privacy



Immigration selection systems



-

Gambling



Education



# ECONOMIC & SOCIAL ISSUES

# FEDERAL

# PROVINCIAL

Education	❄	❄
Training	❄	❄
Care of the Aged	❄	❄
Unemployment and Social Security	❄	-
Product Safety and Labelling	❄	❄
Occupational Health and Safety	❄	❄

# Opportunity

- Guidance from experience abroad
- Federal Govt. leading by example
- Significant P/T buy-in to Smart Reg. report
- Recognition of link to competitiveness , improved bilateral relations and access to trade, investment, immigrants
- Pressure points : foreign credentials ; regulation of environment , energy, securities , food safety, etc
- New technology application

# Task at hand

- Govts surveyed on smart reg. practices & status of collective reconciliation efforts

Expected outcome : Determine how well we are doing at “best practice” and collective action

- Identify possible recommendations for :
  1. Addressing shortcomings re smart regulation “best practice”
  2. Addressing specific sectoral challenges
  3. Horizontal approaches

# Approach to “smart regulation”

- Identify :
1. comparative strengths and weaknesses from survey & red tape data
  2. areas requiring collective attention
  3. options for building cooperation ,  
establishing national framework :  
eg sector “swat teams”, “ministerial councils”, national guidelines

# Considerations - Horizontal Approaches

- Apply “best practice” models
- More accountability; more onus on regulators re impact on trade & harmoniz.
- Effective recourse & appeal processes
- Appropriate balance : public & private responsibility & involvement
- Improved F/P/T institutions, mechanisms, political oversight to limit fragmentation



**Your thoughts ?**