

Submission by the Canadian Energy Efficiency Alliance (CEEA)

On the renegotiation of NAFTA

The Canadian Energy Efficiency Alliance (CEEA) CEEA is the only national independent advocate for energy efficiency in Canada. We work with governments and stakeholders to ensure energy efficiency is a priority for all sectors of the economy. We are an effective voice and resource for policy makers, businesses, builders, consumers, energy companies and environmental groups.

Canada, the United States and Mexico have developed a strong relationship in terms of the trade of goods and services that cross our borders. This is particularly true in the energy efficiency area - a good example recognizable to everyone is Energy Star products.

ENERGY STAR is a U.S. Environmental Protection Agency voluntary program that helps businesses and individuals save money and protect our climate through superior energy efficiency.

In 1992, the US Environmental Protection Agency (EPA) introduced ENERGY STAR as a voluntary labeling program designed to identify and promote energy-efficient products to reduce greenhouse gas emissions. Computers and monitors were the first labeled products. Through 1995, EPA expanded the label to additional office equipment products and residential heating and cooling equipment. In 1996, EPA partnered with the US Department of Energy for product categories. The ENERGY STAR label is now on major appliances, office equipment, lighting, home electronics, new homes and commercial and industrial buildings and plants.

In Canada, Natural Resources Canada (NRCan) administers and monitors use of the ENERGY STAR name and symbol in Canada under an agreement with the U.S. Environmental Protection Agency (EPA). Canada became an international partner in the program in 2001.

NRCan works closely with the EPA to develop ENERGY STAR technical specifications for products. It also develops Canadian specifications for certain ENERGY STAR certified products. The ENERGY STAR® symbol is a consumer icon in the Canadian marketplace. It instantly identifies products that have qualified as high efficiency.

When Canadians go to buy Energy Star appliances – like home appliances for example – you will find that the vast majority are not manufactured in Canada. Companies like Whirlpool and GE who are recognized for their energy star appliances sell their products to Canadians in great numbers.



At the same time, Canadians have developed expertise and we sell professional services to the world including the US. Therefore, CEEA is asking that the government of Canada protect and enhance trade in PROFESSIONAL SERVICES: There are significant irritants in the process, as cross-border travel requirements were not designed with professional services in mind.

Specifically: When Canadian engineering or consulting firms consult on projects for U.S. clients, they are sought by these clients for their knowledge, not for delivering products. In practice, this means that for a typical project, the vast bulk of the work (e.g. analytics, strategic advice, engineering calculations etc.) is done in offices in Canada. Only a couple of times -- for a kick-off meeting, or for presenting results at the end -- is there a need to visit the client in person in the U.S. HOWEVER, THOSE RARE VISITS ARE CURRENTLY DEEMED "WORKING IN THE U.S.", and therefore require a special "TN Visa", for which border guards have (and exercise) enormous discretion. The process itself is wrapped in the framework of Canadians seeking status to work in the U.S., which is not representative of the reality.

As a result, while 95+% of the work likely takes place in Canada, a kick-off meeting or a meeting to present the results of work is treated as a request to work in the U.S. The process for this then creates enormous uncertainty, as (a) the request can only be made at the Point of Entry, (no option to request permission in advance), and (b) no one ever know whether customs will allow us through (they each interpret their own rules and requirements very differently), nor how long getting through will take. This is harmful to Canadian companies and to their U.S. clients in several ways: significant added time and expense for otherwise minor tasks, significant hassle for our clients (who discover they must prepare a formal letter to Dept of Homeland Security simply to ensure their consultants can come to a kick-off -- note that doing so can be burdensome and daunting for clients, including utilities and state governments), uncertainty for all (including last-minute barring from entry into U.S. that results in last-minute meeting cancellations), and lost work for us in the future because of the red tape barrier.

What can be done? We ask that Canadian negotiators to consider these suggestions:

- create a class of permit that involves limited permission to work in U.S. (e.g. allows for meetings with clients, but not for day-to-day tasks)
- Clarify precisely the requirements needed to obtain such a permit (contract with client should suffice); and
- Allow for advanced authorization, so that Canadian companies can submit the request online and receive approval within, say, 2 business days. This would mean a that if there are any concerns, they can be addressed in advance

The issue of professional services has been an irritant to our members. In addition, CEEA recommends that during these negotiations the Government of Canada will seek to ensure that:



- NAFTA is updated to support collaboration on technical standards to reduce trade frictions while upholding safety, security and environmental issues.
- Harmonization of regulations and other requirements continue between our three countries so that manufacturers can certify once and achieve access to North America and beyond

There is healthy cooperation and trade between our three countries in Energy Efficiency – we are suggesting that a revised NAFTA should provide economic opportunity, coordination and clarity to citizens of all three countries.

We are happy to respond to any questions or provide clarifications you might on any of the issues raised and we thank you in advance for undertaking this important work on behalf of Canadians.

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