



Premiers Focused on Actions to Support Economic Growth and Opportunities

WINNIPEG, July 12, 2023 – Canada's Premiers concluded their annual summer meeting with a discussion of key economic priorities to support future growth and prosperity.

Seizing the economic opportunities of the future is a focus for all Premiers. This includes supporting environmental stewardship along with economic growth and competitiveness to sustainably build the economy now, and for the next generations.

Key priorities discussed today by Premiers include:

- competitiveness, Canada-United States relations and trade;
- strategic infrastructure;
- energy security and critical minerals; and
- sustainable development and climate action.

Premiers are addressing these issues in cooperation with key partners. Premiers call upon the Prime Minister to convene a First Ministers' Meeting dedicated to the linked priorities of competitiveness and strategic infrastructure.

At the conclusion of the meeting, Nova Scotia Premier Tim Houston assumed the Chair of the Council of the Federation. Nova Scotia will host the summer meeting of Canada's Premiers on July 15 - 17, 2024.

Competitiveness and Strategic Infrastructure

Supporting Canada's strategic infrastructure and our ongoing competitiveness in the global economy, while increasing international trade opportunities, is critical for the economic prosperity of all provinces and territories. Strategic infrastructure includes community, economic, and competitive infrastructure.

Trade corridor infrastructure is critical to enhance and secure the vital supply chains, transportation networks, and market access needed to maximize our economic potential and prosperity. Premiers endorse the principles set out in the Canada Trade Infrastructure Plan proposed by a coalition including the Business Council of Canada, Canadian Chamber of Commerce, Canada West Foundation, Canadian Construction Association, Canadian Manufacturers and Exporters, Civil Infrastructure Council Corporation, and the Western Canada Roadbuilders and Heavy Construction Association.

Premiers are committed to ongoing coordinated efforts to achieve Canada's full economic potential, including:

- a regulatory environment favourable to attracting increased foreign investment;
- continued efforts to maximize opportunities for open and fair internal and international trade through existing trade mechanisms, such as Canadian Free Trade Agreement, Canada-U.S.-Mexico Agreement, and Canada's other free trade agreements; and
- increased diversification of international markets for Canada's goods and services, including expanding opportunities in the Indo-Pacific region and Europe, building on Canada's economic, cultural, education, and tourism ties to the regions.

Premiers discussed the United States' *Inflation Reduction Act (IRA)*, including its potential adverse impact on Canada's clean technology sectors. Premiers urged the federal government to continue its efforts to ensure the United States treats Canadian goods and services as equal and equivalent to those from the United States. They also called for close work with provinces and territories to define the terms and conditions of federal financial incentives to mitigate potential negative impacts, secure future opportunities, ensure businesses remain competitive, and avoid putting investments at risk, particularly related to emissions reduction and clean technologies.

Premiers recognize that strong, integrated supply chains are the best way to enhance competitiveness across North America. Provinces and territories remain concerned about trade-limiting actions in the United States. Premiers discussed ongoing concerns with unwarranted duties on Canadian softwood lumber exports to the United States, and the need to resolve this long-standing dispute, as well as concerns regarding the expansion of protectionist Buy America provisions in all forms.

Premiers also discussed the urgent need to boost productivity and competitiveness, and develop policies that support business investment to encourage economic growth across Canada.

Provinces and territories are investing in strategic infrastructure to power economic development, facilitate market access for goods and resources, maintain secure and efficient supply chains, connect Canadians to the digital economy, build strong communities, and support climate-resilience.

Premiers reiterated their call on the federal government to adhere to the following principles for the next phase of federal infrastructure funding to best serve people and communities across our diverse country:

- maximize both flexibility and predictability by delivering funding on a base plus per capita basis to support provincial and territorial priorities and their ability to plan for the long term;
- provide support to provincial and territorial governments in addressing the full spectrum of infrastructure challenges unique to their jurisdiction;
- ensure enough flexibility in federal funding that flows through provinces and territories rather than municipalities so that provinces and territories are able to balance investment priorities between the restoration, repair and maintenance of existing infrastructure and future growth projects, including any new investments in housing;
- work with provinces and territories to support development of trade corridors and strategic trade-enabling infrastructure;
- immediately address the unacceptable gaps in the level of infrastructure available in Arctic and northern regions;
- minimize administrative redundancies, duplicative processes related to governance, and red tape related to approvals, claims and reporting; and
- support provincial and territorial efforts to address potential climate impacts.

The most effective way to achieve these goals is through block infrastructure transfers, which will allow provinces and territories to make efficient and strategic use of funding and create opportunities for long-term capital planning to build the infrastructure that Canada needs.

Premiers expressed concern about the federal government's proposal to add further conditions, reporting and red tape to the renewed Canada Community-Building Fund (formerly the Gas Tax Fund). Premiers agree that the CCBF must be flexible, enable provinces and territories to fund their diverse priorities, and be free from burdensome approval and reporting requirements.

Energy Security & Critical Minerals

Premiers agreed on the importance of developing resources in a responsible manner, meeting domestic needs, and positioning Canada as the optimal solution to global energy needs and security. Provinces and territories have diverse energy and natural resources assets, which is reflected in their respective jurisdictions' priorities. Hydrogen, natural gas, hydroelectricity, wind, carbon capture utilization and storage, small modular reactors, uranium and oil, are examples of Canada's abundant energy sources and technologies, which are among the most sustainable and ethical in the world. Canada's energy sector will continue to evolve and adapt to new technologies in search of lower to zero-emitting energy sources, and provide new, higher-paying skilled jobs for decades to come.

Premiers are also focused on promoting Canada's potential as a global powerhouse in the reliable sourcing and supply of critical minerals and rare earth elements. Critical minerals extraction and processing will continue to generate economic prosperity, and create potential to support high-value activities in the electric vehicle supply chain. Premiers called on the federal government to take action to ensure the accelerated approval processes identified in Budget 2023 are implemented in a timely manner.

Premiers called on the federal government to respect provincial and territorial jurisdiction over natural resources, while working collaboratively with provinces and territories on their respective priorities. These include:

- continuing to produce and supply ethical, sustainable and affordable Canadian energy and critical minerals to domestic and international markets;
- maintaining and expanding critical energy infrastructure, including securing the future of Line 5;
- investing in the clean energy infrastructure needed to realize Canada's economic potential; and
- ensuring predictable and streamlined federal impact assessments and regulatory regimes, without duplicating provincial and territorial processes.

Premiers discussed policies the federal government intends to impose including the Clean Fuel Regulations, and the proposed Clean Electricity Regulations, and cap on oil and gas emissions. Premiers affirmed that electricity and energy regulation is the exclusive jurisdiction of provinces and territories, and are taking action to reduce emissions. Federal policies must not infringe on their authority and must recognize their unique needs and situations. Premiers discussed the impacts of these federal policies including overlap, affordability and inflationary impacts, feasibility and attainability, and called on the federal government to ensure federal climate policies recognize early and ongoing action by provinces and territories in these areas. Premiers expressed concern that the federal Clean Electricity Regulations are unattainable and unaffordable for some jurisdictions given current technologies and timelines.

Sustainable Development & Climate Action

Climate change is a global threat. Catastrophic weather events have inflicted devastating losses on Canadian communities and infrastructure, and pose an ongoing threat to Canadians' health, safety, prosperity and natural environment. Canada's future economic stability and the wellbeing of Canadians depends on addressing this challenge. Premiers discussed the urgency of global action to reduce greenhouse gas emissions. They agreed on the importance of provincial and territorial leadership in moving to achieve shared objectives, including emissions reduction and growing business opportunities.

Premiers discussed the economic and emission-reduction opportunities offered by cleaner energy and technologies. They noted the value of collaboration on the production, transmission, shipment and use of cleaner fuels and lower-carbon electricity. Provinces' and territories' lower-emission

energy exports also have a potential role in international and global emissions reduction targets. Premiers repeated their call on the federal government to support the adoption of international emission-reduction trading systems through Article 6.

Provinces and territories are facing increasing costs of adapting to our changing climate. Climate adaptation demands collaborative action among governments. Premiers called on the federal government to:

- engage in partnership with provinces and territories on their climate adaptation priorities;
- develop timely, long-term federal funding to support provincial and territorial adaptation priorities and strategies;
- engage in continued intergovernmental dialogue on climate adaptation through the Canadian Council of Ministers of the Environment; and
- collaborate on changes to Disaster Financial Assistance Arrangements to ensure provinces and territories have timely, flexible, and adequate support, and that risks and costs are not shifted to provinces, territories, and municipalities.

- 30 -

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