



CRS Issue Statement on Canada

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The United States and Canada have extensive ties that encompass a number of areas, including trade, security, the environment, and international affairs. The two countries cooperate widely in international security and political issues, both bilaterally and through numerous international organizations. Since September 11, 2001, the United States and Canada have cooperated extensively on efforts to combat terrorism, particularly in Afghanistan, where Canada has made a sizable contribution to the ISAF military operation. Canada's foreign and defense policies are usually in harmony with those of the United States. Areas of contention are relatively few, but sometimes sharp, as was the case in policy toward Iraq.

The U.S. Congress maintains an ongoing high level of interest in U.S.-Canadian relations. This is manifested in the annual meetings of the U.S.-Canada Interparliamentary Group. The most recent – the group's fifty-first – was held in May 2010 in New Orleans.

Canada, a NATO member, was one of the first countries to join the U.S.-led military operation in Afghanistan, and Canadian forces –about 2,830 currently – have long been serving without national caveats in combat operations in the conflicted southern part of the country. Canada has suffered among the heaviest casualties proportionally; a total of 138 Canadians, including one diplomat, have fallen. As Canadian operations shifted from peacekeeping to counter-insurgency, public support for the Afghan mission has diminished. Canadian troops are now scheduled to be withdrawn by July 2011. Although the government is adamant about removing combat soldiers, Ottawa intends to continue to contribute to civilian development efforts.

Border security has become a major concern in the post-9/11 world. The two countries have launched a number of initiatives that attempt to better secure the common border without unduly disturbing legitimate travel and commerce. Ottawa and Washington have been attempting to resolve issues surrounding implementation of the Western Hemisphere Travel Initiative (WHTI), a provision of U.S. law that will require travelers to present a passport, or equivalent document, at the border. During the second session of the 111th Congress, Members will likely continue to closely monitor implementation of WHTI. Under the Bush Administration, the United States, Canada, and Mexico created the Security and Prosperity Partnership (SPP), which was intended to provide security for the continent against criminal activities and external threats, while easing the flow of goods and travelers who cross the borders. It also aimed to boost prosperity through promoting cooperation in a number of areas, such as regulations. This initiative was discontinued by the Obama Administration, but discussions continue on many of the issues that concerned the SPP.

The United States and Canada maintain the world's largest trading bilateral relationship, one that has been strengthened over the past two decades by the approval of a U.S.-Canada Free Trade Agreement and the trilateral North American Free Trade Agreement (NAFTA). Aspects of the NAFTA may be reviewed by the Administration and Congress as U.S. trade policy comes under increased scrutiny. Although commercial disputes may not be quite as prominent now as they have been in the past, the two countries in recent years have engaged in difficult negotiations over items in several trade sectors, affecting only a small percentage of the total of goods and services exchanged. The second session of 111th Congress will likely see continued involvement by Members in efforts to resolve certain trade disputes, particularly in the agricultural and forestry sector. One issue that caused controversy recently was the "Buy America" provision that was added to the U.S. economic stimulus package (American Recovery and Reinvestment Act of 2009, PL 111-5). The measure essentially would require that public works projects paid for by stimulus funds be completed with raw and manufactured materials of U.S. content. While the United States maintained that this provision was being implemented consistent with U.S. trade

obligations, Canadians objected that the provision was protectionist, and was contrary to U.S. obligations under the WTO Agreement on Government Procurement (AGP), and the NAFTA. Bilateral negotiations resulted in an agreement signed in February 2010 that would allow selective Canadian participation in the stimulus projects in return for Canadian provincial participation in the AGP. Canada is the United States' largest supplier of energy—including oil, uranium, natural gas, and electricity—and the energy relationship has been growing.

Finally, the United States and Canada work together closely on environmental matters. The environmental effects of the extraction and processing of Canada's oil sands have been an issue of concern to some Members of Congress; among other effects, the U.S. and Canadian environmental and scientific communities are concerned about the potential risk of oil sands development for migratory birds. The two countries also have been discussing restoration of the Great Lakes, as well as the possible impact that climate change might have, including the alteration of habitat for marine wildlife. Also, global warming is forecast to open a navigable channel through Canada's northern archipelago, creating a so-called "northwest passage" that Ottawa maintains would be a Canadian inland waterway and the United States and other nations argue would constitute an international strait, open to international navigation. Canada's sovereignty claim raises commercial, environmental, and security issues, and may be the subject of congressional attention.

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