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Panel Discussion – Predictions for the Bilateral Relationship

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PANEL DISCUSSION – PREDICTIONS FOR THE BILATERAL RELATIONSHIP

Moderator: Diane Francis

Speakers: Lauren Gardner & Alexander Panetta

DR. SANDS: It's now my pleasure to introduce our first panel. And the moderator of that panel is a dear friend and a wonderful person, Diane Francis. Diane is a member of the Canada-U.S. Law Institute Executive [Committee], but she's also an award-winning journalist, a best-selling author, has worked as an investigative journalist, she was editor of Canada's *Financial Post*, writes a regular column for the *National Post*. And because this next panel includes journalists, I could think of no better journalist wrangler than Diane. And so, over to you, Diane, for the first panel.

MS. DIANE FRANCIS: Okay, thanks a lot, Chris. And Ambassador Hillman, that was a very sweeping and informative statement. I appreciate it, I got quite a bit out of it.

I'm going to now introduce, and talk separately, to each of my two journalist panelists. Let's start with Lauren Gardner, and she's the editor at *POLITICO* [Pro] Canada. So, she's working for—I don't know whether she's Canadian, I don't know—but she's working for an American publication, and serving the needs of an American audience. So, we're going to get her perspective first.

And she'll be followed by Alex Panetta, and Alex is the Washington correspondent for the CBC, the Canada Broadcasting Corporation. So, he has a very different audience.

And so, through their filters, I think we're going to get some interesting insights as to what the Americans are interested [in] in terms of the bilateral relationship going forward, and what Canadians are most interested in. So, Lauren, I'm going to turn it over to you, so for a few minutes, if you can give me sort of an overview.

MS. LAUREN GARDNER: Sure. And to answer your question, I'm American. But maybe some people would consider me an honorary Canadian, I don't know. You'd have to ask.

MS. FRANCIS: Actually, I'm both citizenships, so there you go. I straddle.
(Laughter.)

MS. GARDNER: So, with the election of Joe Biden to be the next president, I definitely believe that just the general attitude by the U.S. towards multilateral institutions, our allies, the world writ large, it's going to get a lot more attention. There's going to be a lot of work done to, in some cases, repair relationships, in others, just, you know, pivot to a different type of focus. And Canada will certainly be a part of that. As Jane mentioned, you know, Prime Minister Trudeau was the first foreign leader to talk to the president-elect. I think that sent a signal of the importance of the relationship.

That being said, as the Ambassador noted, there are lots of different issues that the president-elect's administration is going to have to deal with right off the bat—COVID recovery, the public health recovery and the economic recovery, climate change, immigration, racial equity. And it's going to be incumbent upon the Canadian government to assert itself, I think, in terms of trying to get the Biden administration's attention on its priorities.

So, there are definitely opportunities for both countries to work together. On the public health front, absolutely, in terms of trying to collaborate to get COVID cases down on both sides of the border—since now it's not just the U.S. anymore, everyone's seeing this huge spike.

The economic recovery—how do the countries utilize USMCA to figure out some of those issues the Ambassador mentioned, like supply chains? Is there going to be more of a reshoring of certain industries? And if that is to happen, is that more continental as opposed to siloed in separate countries?

The border, in and of itself—that's been a huge issue in the last nine, ten months, and that's going to continue to be a huge issue. There are a lot of folks agitating for a more transparent system of figuring out who is essential and who is not, and perhaps allowing more travel, more types of "essential travel." So, that is going to continue to be an issue, especially as cases start to tick downward.

And then there are just the perennial bugaboos, like "Buy American" provisions, Keystone XL. Those will be two big issues that, you know, the president-elect has made clear in his platform, and during his campaign, that he's interested in instituting more "Buy American" policies—always something the Canadian government is keeping an eye on. And he's been very vocal in his opposition to the Keystone pipeline. So, those will be two big potential sticking points for both countries to work through.

But there are other areas for cooperation as well, besides pandemic-related work. And one of those big ones will definitely be climate change. As President-elect Biden looks to get the U.S. back into the Paris Agreement, perhaps there's an opening there for the U.S. to work with a country like Canada to figure out, "Okay, how do we, as more of a continental unit, bring down, reduce our carbon footprint?"

So, those are some of the big issues that I think will be top of mind for folks working on the bilateral relationship right now. It'll just be a question of, you know, once you get through the public health and economic crises right now, how do you get attention paid to some of those other issues.

MS. FRANCIS: Thanks, Lauren. That's very interesting. On the "Buy America" thing, I think that's the big touchstone for a lot of Canadians, where it's really not a federal system, either. The states can impose, and municipalities can sort of pick us off, and others, with the "Buy America" stuff. How do you think Biden is going to approach that, if there is some of these pockets of protectionism? Or, in fact, is he going to take the side of the unions, which he's very close to, and irrespective of whether it's Canada or not, support "Buy America" procurement policies?

MS. GARDNER: Well, I mean, I think he's stated that he's definitely supportive of "Buy American" policies. The question will be whether exemptions

are carved out for Canada. There's certainly precedent for that, that's been done in the past. So, I don't think anything could necessarily be written off just yet, but that is going to be a big thing to watch as we get into the early months of his administration.

MS. FRANCIS: Do you see any possibility of . . . [inaudible] the president-elect thus far, do you see any personality situations which may beget some problems with Canada, or a closer alliance? I mean, obviously the vice president[-elect] is the first person to graduate from a Canadian high school to be in the White House, so we're kind of proud of that. That doesn't mean she's going to give away the store to us, but I just wondered if you see either pro or con in the personal lineup.

MS. GARDNER: I think it's going to be a marked difference in terms of how the two country's top leaders deal with each other on a personal level. As the Ambassador said, it's pretty evident that President-elect Biden and the Prime Minister have a warm relationship. I know a big deal has been made in Canada about Vice President-elect Kamala Harris's high school experience in Montreal. So, I think there are going to be maybe some more obvious instances where, you know, you'll see a personal rapport that maybe wasn't always seen during the Trump administration between those two leaders.

But that being said, like you said, I don't think that means, you know, that the U.S. will give Canada everything they want, and that there won't be disagreements along the way—there certainly will. But it seems that they're set up to have a good personal rapport.

MS. FRANCIS: Yeah. It's really not broken. It doesn't need fixing, thank goodness. Okay, that's great, thank you.

Alex—I'm going to turn to Alex, and he's with the CBC. And I just kind of want you to deal with the same sort of . . . give me your answers from the Canadian audience point of view, "Buy America", procurement issues and other, you know, Keystone, and those sorts of things.

MR. ALEXANDER PANETTA: Sure, and we can start with the micro and . . .

MS. FRANCIS: What's the . . . sorry.

MR. PANETTA: Yeah. So, on "Buy American" I think we'll have a fairly decent idea, actually, which way "Buy American" is going relatively soon, I think. I think if the Trump administration withdraws from the WTO Agreement on [Government] Procurement over the next few weeks, or announces an intention to withdraw, that might box in a Biden administration relatively early on. Because then you'd have to, sort of, reapply, or cancel the cancellation. Because I think that's frankly one of the most important issues that has to be resolved. If a Biden administration, or President Biden, were to sign off on a "Buy American" provision in any infrastructure bill getting through Capitol Hill, the question is, would that bill explicitly state that the United States intends to adhere to its trade agreements, "nothing in this bill contradicts the trade agreements that we've signed."

And if you look at the last major "Buy American" bill, the stimulus bill of 2009 [American Recovery and Reinvestment Act of 2009], the version that got through the House of Representatives didn't say anything about trade deals. The

version signed, or approved, by the Senate then explicitly carved that out. There were still issues with Canada later, and those required some negotiations on subnational procurement. We can get into those subnational difficulties later. But, you know, again, just to recap, I think the first and the most important decision that has to get made is, would any “Buy American” bill or provision agreed to by the incoming administration adhere to the WTO general procurement agreement?

MS. FRANCIS: On the issue of China, I know that I’m among those Canadians in the opposition parties that come out strongly, that wants Canada to be tougher toward China, and to, you know, join forces with the Five Eyes and the United States, and so on and so forth. Where do you think the China thing is going to go? And what do you hear about the deal that’s being cooked up to drop the extradition request in return for Meng [Wanzhou] going back to China?

MR. PANETTA: I’ve got to say, of all the issues that involve Canada and the United States, the one issue that I’ve had the hardest time getting anyone in Ottawa to talk about is anything having to do with this Huawei case or Meng Wanzhou. Just the other day, I reached out to talk about the, I think it was *Wall Street Journal* report, and it’s a black box in Ottawa—they’re not talking about the two Michaels and how that may or may not be connected to the Meng [Wanzhou] case.

However, I do think that some of the dilemmas that Ottawa’s going to face over China are not going away in the next administration. You’ll see that, for instance, bills to prohibit the use of goods derived from forced labor—basically Uyghur labor—have gained traction in Washington. And people who’ve talked about these bills, and testified on Capitol Hill about them, sometimes say that, for them to be effective, you need to make sure your trading partners have the same rules.

And so, whether it’s forced labor and human rights, whether it’s microchips and apps and whatever the U.S. security or intelligence community decides is not acceptable for use in the United States, there’s going to be tremendous pressure on Canada to follow suit. And I don’t think that goes away, frankly.

I think the one major difference is future President Biden is talking about having a summit of democracies where countries can get together and share ideas for countering autocracy through money laundering protections, through regulations of social media and online apps. These are things that Canada’s going to be involved in. And I think we’re going to learn relatively soon that with cooperation comes responsibility, that there will be asks of Canada. And not only on the issues we’ve just discussed, but whether it’s NATO and future missions—Joe Biden’s a big believer in NATO. But there’s no free lunch in life. At some point, there’s going to be a security crisis in the world and maybe there’s a greater likelihood that NATO would be the vehicle to address it, and Canada would face potential dilemmas on things like this in the future.

MS. FRANCIS: That’s very interesting. What about NATO? Is there much . . . and I’m going to direct this also, Lauren jump in too after, but Alex and Lauren both. Canada’s been a laggard on the NATO promises. Two percent of GDP, we’re way down—I think we’re half as bad as Germany. And I just wondered if there’s going to be any kind of pressure in the Biden administration,

as there was in the Trump administration—of course, he pressured without follow-through—and Lauren, what do you think about that in terms of your audience?

MS. GARDNER: I certainly think that Biden, when he becomes president, could exert some of that pressure that President Trump has when it comes to NATO spending. I believe that actually there was kind of a hint of it in his campaign platform. So, I would definitely not be surprised.

That being said, President-elect Biden will have a very different outlook on NATO. He's already expressed that, you know, he values NATO and wants to support it, so any pressure on defense spending is also going to come with a more fulsome support for the organization writ large.

MS. FRANCIS: Alex?

MR. PANETTA: Yeah. So, some of the stuff that his team has written about NATO . . . and one of the great things about this incoming administration is there's a huge paper trail—it's not hard to find its worldview on certain things. And one of the things—and I'm going to confess to not remembering whether this is one of the candidates potentially for Secretary of Defense, or whether it was Jake Sullivan who wrote this—but basically describing NATO as not a protection racket. That there's a lot more than contributing funding to the common defense—there's quality of assignments, not just quantity.

So, I don't think you'll get the same badgering and hectoring of Canada. What you might get is badgering and hectoring to participate in a mission, as opposed to, sort of, coughing up extra cash.

MS. FRANCIS: That's interesting. On the Paris climate agreement, Biden has referred to—or, someone in his administration—that they want China to behave itself. China is completely off scot-free. It's a very flawed document. I think the Paris climate accord is actually quite a joke because it only applies to a few rich countries—emissions concerns and curbs. That Biden said that he's going to sign it, but he's going to make sure that the United Nations makes sure that India, and China, and all the real culprits on the environmental emissions side are going to be brought into controls. And I wondered what you've heard on that line, both of you.

MR. PANETTA: Yeah. So, I don't know if Lauren wants to take it, she knows the climate file well. I have some opinions, but . . .

MS. GARDNER: I think the Biden administration will definitely bring a renewed focus to the Paris Agreement and some of the flaws there with respect to emissions reductions and how much countries have actually committed to versus implemented. But, you know, the U.S. is no stranger to that either, and neither is Canada. Canada is not on track—based on studies that have come out—to meet its targets. And, you know, the Trudeau government has also wanted to increase those targets, to increase those levels of reduction.

So, there's a lot to be mined there—not just pressuring other big emitters to level up their reductions, but also on Western powers to make sure they follow through as well. So, there's going to be a lot for all of those countries to come together on when they meet next year to try to increase the heft of that agreement.

MS. FRANCIS: Okay, we have . . . Sorry carry on, Alex. Then I have a question, first question from the audience.

MR. PANETTA: Sure. No, I was just going to say that we've already heard Secretary [John] Kerry say that at the next COP conference [Conference of the Parties] he intends to pressure countries to do more. We should expect to see an annual report, a little bit like the one on human trafficking [*Trafficking in Persons Report*] or the *Special 301 Report* on intellectual property. Every year there'll be something on—well, certainly, if they follow through with their campaign promise—there'll be annual report on countries' progress in reducing carbon emissions.

And they've also talked about—and I'm not sure what mechanism they'd use to implement something like this—but they've talked about potentially instituting carbon tariffs on laggards when it comes to climate change. Again, I don't know how feasible it is, but the one country that I've heard President-elect Biden refer to in this context, strangely enough, was not China. I've heard him refer to Brazil, and the rainforest, and sort of talking about how there needs to be a mechanism to punish countries that harm the planet, climate.

MS. FRANCIS: Okay, first question. On the Biden administration nominations, how do they augur for Canada-U.S. relations? And he points out the fact that the nominations of John Kerry, Tom Vilsack, and Katherine Tai would suggest hard-liners concerning Keystone, dairy under the new NAFTA, and "Buy American" enforcement, would they not?

MS. GARDNER: Yeah. Well, we saw yesterday, USTR [United States Trade Representative] requested consultations with Canada over the dairy issue. And with the nomination of Katherine Tai to be the next U.S. Trade Representative, and Tom Vilsack to be agriculture secretary once again, I definitely don't think there's going to be much of a shift there in terms of where folks in Washington stand on Canada's trade practices on dairy.

The previous . . . Well, I guess we'd call him Secretary-designate Vilsack. He's the CEO of the U.S. Dairy Export Council, and they were very happy with [Robert] Lighthizer's announcement yesterday. So, definitely an area to watch.

That being said, Katherine Tai in particular, she was involved in the congressional side of negotiations on USMCA, liaising with the Trump administration. So, she has a very deep knowledge of it, definitely a known player there. So, you know, while there'll be disagreements—I don't know that everyone's necessarily going to be bad friends—but definitely some protectionists, and also just bipartisan support for, kind of, taking allies like Canada to the mat on things that U.S. dairy producers haven't been terribly happy with.

MS. FRANCIS: Interesting. Alex?

MR. PANETTA: Yeah, completely agree with everything Lauren said there with Vilsack and Katherine Tai. One thing I'd say about Katherine Tai is she's fairly well-known in Ottawa. She's been in a meeting with Prime Minister Trudeau, she's met with Trudeau's staff during NAFTA negotiating rounds. She's extremely well-known in trade circles, and was instrumental in helping negotiate the tweaks to the new USMCA—including provisions Canada loved, like on biologics.

So, yeah there'll always be tensions. You won't be seeing anyone going on *Meet the Press* and saying the prime minister is going to hell. So, you know, the tensions will be normal, let's put it that way.

(Laughter.)

But, I would really recommend, if anyone wants to have a look at, sort of, the duality of Biden's approach to foreign policy as it intersects with economics—and this is not a shameless plug, because I was not at the CBC at the time—but we interviewed a certain Jake Sullivan a couple of years ago. And this Jake Sullivan's gone on to become the national security advisor to the next president. And in this interview, it was really interesting, within just a couple of minutes you saw these two halves of this worldview. And on the one hand, he's of the belief that the Trump administration has messed up America's relationships with the world, that you need this return to multilateralism because it makes the world safer. But not neoliberalism, because in that same interview we asked him about the story of the day, which was the NAFTA negotiation, and he said, "You know, a lot of people don't like NAFTA, and not just Trump and not just Republicans. A lot of us want to see a rebalancing of our trade policy to put an emphasis on middle-class and working-class communities."

So, that's just, you know, take from that what you will. But, I do believe there are going to be occasional tensions, normal tensions, and less dramatic than the ones we've seen.

MS. FRANCIS: Keystone—what's going to happen with Keystone? That's a real hot button. Very, very big optics—in both countries, I think.

MS. GARDNER: Yeah. Man, I've covered that pipeline for a very long time. It doesn't look great. I don't know why President-elect Biden would renege on that campaign promise, but there are certainly going to be folks in the Canadian government who will try—or who will at least ask, you know, "Let's not make any decisions right this second." I don't believe he's said that's a Day One priority. So, unlike President Trump, I don't think we can expect anything on Keystone right out of the gate, just because there are so many other pressing issues. But yeah, that's going to be a tricky one.

There will be folks in Ottawa who are going to try to convince the White House that it should be allowed to go forward if it can make it through all the various court challenges in the U.S. But it's also been, what is it twelve years? Ten, twelve years since it was first proposed. The situation is very different now, and we've all seen what happens with mega energy infrastructure projects—not just pipelines but other, transmission lines and whatnot. There are a lot of folks out there with different perspectives, different political perspectives, who have issues with some of these proposals. So, it's going to be a bilateral bugaboo, as I like to say.

MS. FRANCIS: Alex?

MR. PANETTA: Yeah. Look, the economics of it lead me to one conclusion and the politics lead me to another. On the economic front, I think it's difficult to cancel a project that's already underway, they've already built the, sort of, the spur at the border. And there's not been a lot of construction on this new leg of the pipeline, but it's underway. And it's hard, in the middle of trying to get the

economy restarted, to cancel something that's already under construction. So, that's the economic side of it.

The politics of it, I think this president's going to be looking for wins that will make progressives happy. And they won't be that easy to come by in Congress. Getting progressive legislation through this next Congress is going to be very difficult. So, you take the wins where you can get them. And what would make progressives in the Democratic Party happy? Cancelling that pipeline. So, you know, again, economics says one thing, politics says another, and we'll see soon which prevails.

MS. FRANCIS: Okay. The next question from the audience is that joint border restrictions to stop the spread of COVID are nearly nine months old. How do you see border cooperation evolving in coming months, and when do people believe the border will reopen?

MS. GARDNER: When COVID cases go down.

(Laughter.)

Not anytime soon. I mean, ask anyone in the government and they tell you, "No we examine it all the time, we make these decisions monthly, we evaluate information in real time." But just based on looking at the numbers, there's . . . and the prime minister himself has said, this isn't going to reopen until things are under control—in both countries, at this point.

But that being said, like I said earlier, I do think there will be more pressure, especially among northern border lawmakers in Congress, economic groups, the Chambers of Commerce, and just local communities who want to see something more happen in terms of allowing different types of travel to be deemed essential as we get into, potentially, the spring months. That will definitely ratchet up, I believe—I mean, it already really has. So, there are a lot of proposals out there, pilot projects for ways to test people coming into either country, and then follow-up to try to the lessen quarantine times, for example, on the Canadian side.

There's also a lot of unique circumstances, like Point Roberts in Washington state. It's geographically isolated from the rest of the state, it essentially hangs on to the bottom of a Canadian peninsula. So, folks there have to cross the border twice to get back into the rest of Washington state, and there have been a lot of issues there.

Some of these things have been addressed in some places, people are still logging some complaints. So, there will be a lot for the next administration to sift through to try and see what more can be done.

Another thing is family reunification. The Canadians have instituted a process for that, to allow different types of what people consider family to cross the border to reunite. But that hasn't happened on the U.S. side yet. So, that might be another area where we could see a change maybe sooner rather than later. But when it comes to reopening the border writ large, that is . . . I don't see that happening in the near term.

MS. FRANCIS: Alex?

MR. PANETTA: Well, I guess the most important thing to figure out, as vaccines start to roll out, is harmonizing rules for standard of proof. Like, do you need to have been vaccinated to cross the border? And then that opens up civil

liberties issues, and sort of equality, you know, equal protection issues. So, I wonder how complex that gets and whether that could become a bilateral irritant.

I don't suspect it'll be a bilateral issue so much as two domestic political debates happening simultaneously, but that's going to be interesting. And one thing I'd say is, over the last few months, it's been fascinating to watch. In Canada, any suggestion about reopening the border, how you just get slapped down immediately—even when, in good faith, some American lawmakers said, "Hey, we should have a conversation about the process." And the reaction in Canada was, "Hell no we're not talking about this."

(Laughter.)

And I think it's going to be strange, when the shoe could potentially be on the other foot someday. If—and I'm not saying this will happen—but if it happens that Americans get vaccinated more quickly and at a faster pace, you might have Canadians saying, "Hey, please let us in again," and Americans might say, "Well, where were you when we were the ones with the more severe pandemic problem to handle?" So, I'm not saying any of this is going to happen, but I'm saying that this conversation could turn very quickly into one about civil liberties, and also one where Canada is no longer the "luckier" of the two neighbors when it comes to COVID.

MS. FRANCIS: Again, another COVID-related question. The Americans have a huge capacity to produce vaccines and, you know, everybody's signing up everybody else's stuff. Do you think there'd be a point . . . I hate to say it, it looks like we're a little behind the eight ball, in Canada, in terms of getting this organized. I think our health care system has been far ahead of the Americans, but the other isn't. Would there ever be a situation where the United States would help Canada on the vaccine side? And not that we're going to be in dire straits but, I'm just saying, is there going to be a cooperative situation here? Who wants to jump in on that one?

MR. PANETTA: If Lauren wants to start with the question on licensing and the practices when it comes to pharmaceuticals, I'm very happy to defer to her. But I couldn't speculate on that, I don't know.

(Laughter.)

MS. GARDNER: Yeah. I mean, I think there's probably a window there for bilateral cooperation on vaccines. But, you know, I think any country's leaders want to prioritize their own citizens. But I think that, you know, President-elect Biden also recognizes the need for others around the world to be vaccinated as well for this thing to have the positive effect that I think everyone wants.

And there was that executive order earlier this week that President Trump signed, that tries to get at that "America First" sentiment when it comes to vaccine distribution. It didn't seem to have any teeth. So, I think that's an area to watch. I don't foresee there being a huge scrap between the two countries on vaccine distribution, but I guess we'll have to see.

MS. FRANCIS: This is sort of a far-out one, but . . . well, maybe not. How tough is Biden going to be on Russia? And in terms of, you know, the Arctic, where they've been fooling around up there with buzzing planes over Canada and Alaska. You know, they're just generally a malicious group. What do you think

he's going to do as far as Russia? And how is that going to drag Canada in, or what can Canada do to help? Alex?

MR. PANETTA: One of the areas where I suspect there'll be less change in U.S. policy is in the Arctic. I think the U.S. is going to be pressing Canada to spend some money on radar. When Russian planes occur on American airspace, the American planes will buzz back.

(Laughter.)

I think the major dilemma on Russia is what to do about Crimea, right? And that's the root of all of this. It's the root of all the last, you know, seven years, I guess, of tension. What's the solution to what happened under the Obama administration? Because again, it's never been resolved.

MS. FRANCIS: And it was on Obama's watch that they did nothing and let it happen, actually, which is very annoying to Ukraine and the people in the region. Lauren, what do you feel about the Russia file?

MS. GARDNER: I agree with Alex. I don't know that there will be . . . well, I mean . . . I think President Biden will definitely take a more skeptical view of Vladimir Putin.

When it comes to the Arctic, that's a great question because Arctic policy has been kind of this outlier in the U.S., where we are an Arctic country, but it doesn't get that much attention. And there are certainly folks here in Washington who would like to see it get a lot more attention. So, perhaps that'll be an area for the Biden administration to further develop and sink its teeth into.

MS. FRANCIS: What will Biden be able to do on climate? I know what he's intending to do, what he's announced he wants to do. And we don't know the result of the Georgia by-election and all the other things, but what is your best guess as to what he's going to do on the climate file, and what that'll mean to his continental partner to the North?

MS. GARDNER: Well, he's going to have to rely on executive action, especially if congress remains split. And even if the Democrats did pull out wins in Georgia, it's still going to be a fifty-fifty split in the Senate. President Obama couldn't get climate legislation through when they had a much stronger majority in the Senate eleven, twelve years ago. So, legislatively that's going to be an issue for who knows how long. So, executive action is going to be key—rolling back many of the environmental regulations that the Trump administration implemented.

And then also looking to go bigger. Where can we go bigger? I think green jobs will be a centerpiece of any kind of economic legislation the Biden administration and Democrats in Congress try to push. You know, to what extent they have real world impacts on reducing the U.S. carbon footprint? Obviously, that's to be determined, but I think those are areas where the administration would look to try to follow through on some of the promises they made on the campaign trail.

MS. FRANCIS: What about banning coal? Which is the biggest culprit. What about banning coal?

MS. GARDNER: Well . . .

MS. FRANCIS: Can he politically do that?

MS. GARDNER: I'm sorry?

MS. FRANCIS: Can he ban coal?

MS. GARDNER: Well, natural gas overtook coal on the energy market—it's just, it's significantly cheaper. Yes, the Obama administration instituted regulations that made coal not terribly attractive, but the market was taking care of that to begin with. So, I don't see a market scenario where coal all of the sudden has a renaissance.

MR. PANETTA: One thing we should keep an eye on is infrastructure. And it's funny . . . so, I work next to Laura, we sat next to each other. And so, she made me a skeptic when it comes to infrastructure bills getting through Congress, based on her own experience covering transport. But, that being said, if . . .

MS. GARDNER: Except for this time, Alex.

(Laughter.)

MR. PANETTA: Every two years she disabuses me of this.

But basically, even if the Democrats don't win the Senate, one potential area for compromise between those two parties is infrastructure. And really, infrastructure is at the heart of Biden's climate plan. And, you know, if Republicans are looking to win back the suburbs, you know, some suburbanites, a high priority in a lot of suburbs is mass transit. Mass transit would solve some of Biden's climate issues. There's potential ground for compromise there, in a normal world.

Now, Lauren has been covering infrastructure a lot longer than me. Couldn't speculate as to whether we're in that normal world or whether it's feasible, but I do believe a climate plan is possible, if you define a "climate plan" as an infrastructure plan.

MS. GARDNER: Alex makes a good point. And it is different this time around because, I mean, unless things change and, you know, the Biden administration pushes a tax plan through Congress somehow, and also immigration, and then tries to move to infrastructure—that's probably not going to happen. But if you start off with something like infrastructure, where there is innate bipartisan agreement on a lot of these issues, then yes, then something could certainly make it through Congress. The reason why it didn't before is because the Trump administration pushed through a tax plan the Democrats didn't like, and then focused a lot on immigration in ways the Democrats did not appreciate. So, here we are.

MS. FRANCIS: A couple of other issues. Iran, the Iran deal—what is Biden going to be able to do there? Alex?

MR. PANETTA: I guess it'll partly be dependent on whether Iran is willing to roll back its . . . basically to return to the commitments it made six years ago, I guess, five years ago. But I don't know whether that's feasible or not.

MS. FRANCIS: In many ways—I want you to comment this—in many ways the sort of, you know, trampling over the global scene that Trump embarked on actually hands a pretty wonderful leverage tool to this new president. In other words, "You want us to lift this? Do you want us to not do this anymore? Okay, fine. But, otherwise our default position is our default position." What do you want to say about that? I mean, he's got very, you know, an interesting situation. You

could actually argue he's in the catbird seat in a lot of foreign relations situations, whether it's the Middle East or China.

MS. GARDNER: Yeah, I think that's an important observation. You know, certainly—like we've said throughout this panel—a Biden administration is going to have a very different worldview on multilateral institutions, and how to engage on the world stage. But there will be some openings there for the president-elect, right now, to utilize some of the Trump administration's decisions as leverage when it comes to China, Iran, NATO, like we talked about before. Those could be some areas where, you know, they may not make a ton of changes, at least off the bat, but may be open to tinkering with things if they can get some allies or some of those target countries to make some changes in policy that the U.S. is seeking.

MS. FRANCIS: How optimistic do you think the U.S. is, and/or Canada, in terms of the fact that, once Biden actually gets ensconced and the vaccines start to roll out, that we're going to get a huge economic boom in both countries? What's the consensus? What's the polling, or what have the economic guys said?

MR. PANETTA: Well, the economy's been dug into a pretty significant hole. I guess, I mean, the chances are we'll get closer to the surface once we get a vaccine. I don't have any doubt. But yeah, I mean, I guess debt is going to be an interesting conversation after this—to what extent do people's concerns about the debt-to-GDP ratio start to act as a check on any stimulus or any spending plans.

MS. FRANCIS: Lauren, do you want to comment on that? The market is saying a boom is going to come.

MS. GARDNER: I mean, I think many hope that, you know, there's nowhere to go but up, right? But a lot of that, I think, will depend on what Congress does and doesn't do on stimulus. If the *status quo* continues, and businesses go out of business and shutter, you know, once the economy does turn around, or once the public health situation turns around, you know, how do you get places to open back up again if people have had to, you know, close their doors?

MS. FRANCIS: Okay. I think the relationship is still pretty much intact. This is another kind of wild one. What about Brexit and Europe? Biden had a very funny answer. It was a while back, and somebody at the BBC asked him, "Mr. Biden what is your opinion of the United Kingdom?" And he just looked at him and he said, "I'm Irish."

(Laughter.)

So, this whole debate that they're having over the Brexit, the hard border of Northern Ireland and so on. I mean, this is a president who's not just going to take very little interest in this.

Now, I think it'll force the Brits to comply with what the Europeans want, and the Irish want. But what is your sense of . . . And, of course, Britain's only hope if it leaves—well it's leaving one way or the other—is to maybe even try and become part of the NAFTA arrangement. What sort of comfort level in the United States or Canada—of course, Canada is a commonwealth country, so Britain's more important to us than it is to anybody. But I just wondered what you thought about that. Is there any hubbub about that? About [Boris] Johnson's ambition to join in a free trade deal with Canada and the U.S.? Or is it way under the radar? Is it only in Canada we care about this?

MR. PANETTA: I think it's so under the radar that Canada and the U.K., I think they maybe have a preliminary agreement of some sort.

MS. GARDNER: They do, yeah.

MR. PANETTA: A new trade deal. And I guess, does that make you a *de facto* NAFTA member, if you sign an agreement with one country? I don't know. But, I don't think it will be too controversial. But, certainly if it does bilateral deals it wouldn't be controversial at all.

MS. FRANCIS: Lauren, any thoughts on that? Mr. Biden, the new Irish Catholic president of the United States.

(Laughter.)

MS. GARDNER: Yeah. The second one, right?

MS. FRANCIS: The Irish remember, they hold grudges.

(Laughter.)

MS. GARDNER: But like you said, he's going to be hyper-focused on what happens with the border between Northern Ireland and the Republic of Ireland, for sure. On Britain joining NAFTA, that is not something I've thought about to be honest.

MS. FRANCIS: Well, I guess they'd have to give permission to even have a free trade deal with the United States bilaterally, and/or Canada. So, it may morph into that, but who knows. I have no idea what Britain's going to do on its own. It's quite terrifying, I think.

So, we're sort of winding it up there, Chris. Your panel, are they ready to go? Are we going to take a break, or what would you like to do? I think you guys have done a great job. I really enjoyed the conversation and . . . Oh, okay. Here's another one. One more question. Any rumors about who Joe Biden will pick for ambassador to Canada? Will it be a female?

MS. GARDNER: That's a good question. Do you want to tell us?

(Laughter.)

MS. FRANCIS: Alex, have you heard anything?

MR. PANETTA: [Maryscott] Scotty Greenwood's name came up last time, in the context of a possible Hillary Clinton win. So, I'll throw her hat in the ring again this time, but I haven't heard any names.

MS. FRANCIS: Okay, well that's good. Hopefully it'll be a professional diplomat.

(Laughter.)

DR. SANDS: Well, I want to thank you, Diane. I can think of at least one outstanding Ambassador to Canada who was not a professional diplomat—and he's on the next panel—the great Jim Blanchard. He did a pretty good job. But that's because he's from Michigan, where I'm from also.

Thank you very much. That was an excellent panel. Thank you, Lauren. Thank you, Alex. And thank you, Diane. Great discussion of how the administration may affect Canada-U.S. relations.