

AN OPEN LETTER TO THE COMMITTEE ON INTERNAL TRADE



December 5, 2013



The Honourable James Moore, P.C., M.P.
Chair, Committee on Internal Trade
Minister of Industry
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5



Dear Minister:



As the twentieth anniversary of the Agreement on Internal Trade (AIT) approaches, and as members of the Committee on Internal Trade prepare to gather for their annual meeting, it is worth reflecting on what has been accomplished with the AIT and what remains to be done if we are to realize free trade within Canada's borders.



In the same way that the AIT itself came about in large part due to the signing of the North American Free Trade Agreement (NAFTA), your December 12 meeting follows on the achievement of the Comprehensive Economic and Trade Agreement with the European Union. Our organizations support the CETA agreement that is of significant benefit to Canada, much the way that the NAFTA agreement has been over the past two decades. In particular, the comprehensiveness of the agreement makes this truly a 21st century trade agreement. In contrast, the AIT can no longer be considered an effective option.



We acknowledge that a considerable amount of progress has been achieved in strengthening and improving the AIT over the last 20 years and applaud this progress. The improvements to Chapter 7 (Labour Mobility) and Chapter 17 (Dispute Resolution Procedures) are particularly notable. Unfortunately, much more needs to be done. Technical barriers to trade, government procurement, and accessibility to the dispute resolution procedures are all areas that require immediate attention. As well, the governance of the AIT itself must be addressed in order to improve transparency and stakeholder involvement.



We believe the CETA agreement provides a template for improving internal trade. Take, for instance, one of the most challenging issues, technical barriers to trade. While tariff barriers obviously do not exist between provincial and territorial jurisdictions, regulations can be just as much a barrier. Overlapping and duplicative regulations between different jurisdictions create a tremendous compliance burden, especially for small and medium-sized businesses, and impose added costs. Even more problematic though, is that often regulations which require slightly different weights or measures are simply protectionist measures disguised as having a public interest purpose. The Canadian consumer market is relatively small to begin with and dispersed over a vast

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geographic area. It doesn't make any sense to divide that market into fragments, each protected by meaningless regulatory barriers to trade.

One of the most commendable aspects of the CETA agreement is that it was reached with the inclusion and support of the provinces and territories, a sign that all jurisdictions recognize the importance of increased trade and the value of working together to create a strong economic union. When the Committee on Internal Trade meets, many of the ministers will also have responsibility in their jurisdictions for international trade. These are the same people who worked collaboratively to help bring about the CETA agreement. Hopefully that same spirit of collaboration and common cause will carry through to your deliberations on internal trade.

It is an embarrassment that we are able to provide greater benefits to our trading partners than to each jurisdiction within Canada. We can no longer excuse the fact that our domestic market remains divided by unnecessary barriers and urge you to work with the provinces and territories to rectify this fact. The organizations that are signatories to this letter call on all levels of government to extend the same commitments to each other as they do to foreign governments under our most ambitious free trade agreement.

As always, on behalf of our members, we remain available to discuss these matters and the way forward with the Committee on Internal Trade.

Respectfully yours,



The Hon. Perrin Beatty, P.C.
President & Chief Executive Officer
The Canadian Chamber of
Commerce



Mr. Garth Whyte
President and CEO
Canadian Restaurant and
Foodservices Association



The Hon. John Manley, O.C., P.C.
President and Chief Executive Officer
Canadian Council of Chief Executives



Mr. Anthony Ariganello, CPA, FCGA, ICD.D
President and Chief Executive Officer
Certified General Accountants Association
of Canada



Mr. Dan Kelly
President and CEO
Canadian Federation of
Independent Business



Mr. Sean McPhee
President
Vegetable Oil Industry of Canada



Mr. Jayson Myers
President & CEO
Canadian Manufacturers and Exporters

cc: Committee on Internal Trade