

- ADDENDUM -
- GUELPH CITY COUNCIL MEETING -

December 19, 2011

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| DELEGATIONS |
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- a) Canada-EU Comprehensive Economic and Trade Agreement (Clause 2 of the Corporate Administration, Finance & Emergency Services Committee):
- Terry O'Connor
 - Janice Folkdawson
 - George Kelly
 - Magee McGuire
 - Norah Chaloner on behalf of the Guelph Chapter of Canadians
 - Clare Devlin
 - Dave Sills, President, Guelph Civic League
 - Keith Bellairs
 - James Reinhart

Correspondence:

- Lloyd Longfield on behalf of the Guelph Chamber of Commerce

"THAT By-law Numbers (2011)-19321 to (2011)-19326, inclusive, are hereby passed."

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| BY-LAWS |
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| By-law Number (2011)-19326 A by-law to confirm the proceedings of Guelph City Council meetings. (December 5 & 7, 2011) | To confirm the proceedings of the December 5 and 7, 2011 Council meetings. |
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Dear Mayor Farbridge , Councilors and Staff.

Dec. 15th 2011

Re:Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and our city.

Canadian municipalities are rapidly losing their ability to build local economies. The federal government is pursuing international and interprovincial trade deals that target municipal powers and services. While the FCM continues to get briefings from the federal government about CETA, there has been a lack of clear information about the agreement, or any room for debate, for municipal governments.

Today, very few municipal governments use procurement to its full potential. In the United States, for example, it's common practice for cities and states to buy in-state when they can, even at a premium. In Canada, interprovincial trade agreements and, in some provinces, laws on procurement, have made these kinds of policies more difficult and vulnerable to challenges by firms or other provinces. But "Buy Canadian" policies are allowed under these agreements, as well as minimum Canadian content quotas on important projects. Some local preferences are also allowed under the Agreement on Internal Trade if they can be shown to significantly help development in depressed areas.

Minimum national content quotas are proven to create jobs. Liberalizing procurement rules through international trade deals are not. That's probably why the FCM has asked that CETA "must recognize strategic and public interest considerations before barring all preferential treatment based on country of origin. There may be industries of strategic significance to a particular region, such as transit, or projects where considerations of quality, public benefit, environmental protection or business ethics means that a local government may wish to implement minimum Canadian-content levels. This should be allowed, within reason."

The safest way for municipalities such as Guelph to hold onto those spending powers is to be excluded from the CETA altogether. Exclusion from CETA should be the default position until more information can be gathered from the province.

Our municipality then has a responsibility to:

- 1) find out if it is part of Ontario's initial procurement offer to the EU, which was exchanged in July;
- 2) take a look at the latest draft of the procurement chapter from the October negotiating round, and;
- 3) city staff should produce a report on the potential impact CETA would have on city powers.

We ask that you support the attached resolution to exempt Guelph at this time. It is the same one that Guelph Labour Council has submitted for approval also.

Thank you kindly.

Norah Chaloner. for Guelph Chapter - Council of Canadians.

Trade Agreement – European Union Resolution

WHEREAS the Canadian government is close to concluding negotiations with the European Union (EU) on a Comprehensive Economic and Trade Agreement (CETA), with participation from provinces and territories; and

WHEREAS the Municipality of Guelph recognizes the importance of trade to local, provincial and national economies but also the impact that trade agreements can have on the powers of local governments; and

WHEREAS in the CETA, Canada has exchanged an initial procurement offer with the EU (listing sub-federal entities that will be bound by the rules of procurement chapter) that may include the Municipality of Guelph and that would explicitly tie the Municipality of Guelph to the terms and conditions of an international trade agreement; and

WHEREAS the EU is insisting on full access to procurement by municipalities, school boards, universities, hospitals, utilities and other provincial agencies, which could significantly reduce the freedom of these bodies to hire or source locally on public contracts, or to use public spending as a tool for economic development, environmental protection and support for local farmers and small businesses; and

WHEREAS procurement rules in the CETA combined with investment protections related to transit, water, electricity and other public services delivered locally may lock in privatization and make it prohibitively expensive to apply new regulations, to re-municipalize services, or create new municipal programs; and

WHEREAS the Municipality of Guelph already has an open and fair procurement policy, and that it is not the international norm for municipal governments to be covered by procurement agreements such as the one proposed in the CETA; and

WHEREAS disputes by private firms against local policy decisions could be taken before private trade tribunals that lack transparency and have the authority to impose fines;

THEREFORE be it resolved that Guelph Chapter Council of Canadians requests:

1. That the province exclude the Municipality of Guelph from the Canada-EU CETA, and that it otherwise protect the powers of municipalities, hospitals, school boards, utilities, universities and other sub-federal agencies to use public procurement, services and investment as tools to create local jobs, protect the environment, and support local development; and that

2. The province disclose its initial procurement, services and investment offers to the EU, explain the impacts CETA would have on municipal governance, and give M.U.S.H. sector entities the freedom to decide whether or not they will be bound by the procurement, investment and regulatory rules in the agreement; and that
3. This resolution be sent to the Provincial Municipal Association and the Federation of Canadian Municipalities, the Ontario Hospital Association, the Ontario University Association and the Ontario School Board Association for consideration and circulation.

Signed by :

Norah Chaloner and Keith Bellairs ,
co-chairs for Guelph Chapter, Council of Canadians.

Hello Mayor and Councillors,

We trust that councillors have read the important information related to the Canada-EU Comprehensive Economic and Trade Agreement, or CETA, included with the agenda package.

In case you haven't, the following is a quick summary.

The CAFES Committee has recommended:

"THAT Guelph City Council does not support the ratification of the Canada-EU CETA by the Government of Canada at this time without the Government of Canada providing further opportunity for public and municipal government assessment of the Canada-EU CETA and the opportunity for further input into the Canada-EU CETA."

This recommendation is based on the following facts:

- * the CETA appears to open up the EU's ability to: access natural resources; bid on national, provincial and municipal government contracts; and open up public municipal water systems across Canada to privatization (GCL notes that waste and transit services would be vulnerable as well).

- * Many groups such as the Council of Canadians, the Union of B.C. Municipalities, the Canadian Auto Workers union, the Sierra Club Canada, the Canadian Union of Postal Workers, the Canadian Union of Public Employees, the Canadian Community Economic Development Network, the Canadian Centre for Policy Alternatives, the Centre for Civic Governance and the National Union of Public and General Employees have raised concerns about CETA.

- * 19 Canadian municipalities have adopted resolutions in response to the CETA, including the Ontario cities of Brantford, Brockville, Hamilton, London and Windsor.

In addition, the Association of Municipalities of Ontario has expressed concerns about the impact of the CETA in a number of areas, and in general desires that any CETA deal "offer significant opportunities for economic development for our local companies for any limitations that may be accepted."

Lastly, in a letter from the Guelph Civic League to councillors in advance of the CAFES Committee meeting of Dec. 5th (below), we also described a concrete, real-world example of the potential impacts of the CETA:

- * that under the proposed CETA, Ontario's Green Energy Act manufacturing requirement that 60% (for solar) and 50% (for wind) must be done in-province would not be permitted.

This of course would mean the loss of local industry and local jobs. Similar such programs at the municipal level would also not be permitted.

Though the CAFES Committee has recommended that Council not support ratification of the CETA, it did not support using the draft resolution from the Council of Canadians, as provided in the CAFES Committee report in the agenda package, which outlined actions to be taken. Therefore, it is not at all clear what actions the City and Council plans to take on this important issue, if any. In the opinion of the GCL, the City cannot be a bystander on this critical issue for local governance, but must take clear actions that are in the best interests of the citizens of Guelph.

Accordingly, the GCL urges Council to take the following actions:

- 1) request more information on the implications of the CETA from the Government of Canada, the Ontario Government, and the Federation of Canadian Municipalities;
- 2) request that the Government of Canada provide opportunities for further input on the CETA; and
- 3) stand with other municipalities across Canada in clearly opposing a CETA that gives the European Union access to municipal-level procurement.

These actions would specifically address the reasons behind City Council not supporting the ratification of the CETA.

A resolution comprising such actions could be easily drafted - perhaps even here this evening - by amending the resolution provided by the Council of Canadians, as included in the CAFES committee report.

We feel this is the best action possible for the City given the current circumstances, and is clearly better than taking no action at all on this important issue.

Sincerely,

Dave Sills, President
Guelph Civic League

On 04/12/2011 5:29 PM, Dave Sills wrote:

> Hello Mayor and Councillors,

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> As you likely know, the Canadian government is close to concluding
> negotiations with the European Union (EU) on a Comprehensive Economic
> and Trade Agreement (CETA). Canada has exchanged an initial
> procurement offer with the EU (listing sub-federal entities that will
> be bound by the rules of the procurement chapter) that will almost
> certainly include Guelph and explicitly tie Guelph to the terms and
conditions of this international trade agreement.

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> The EU is insisting on full access to procurement by municipalities,
> school boards, universities, hospitals, utilities and other provincial
> agencies, which could significantly reduce the freedom of these bodies
> to hire or source locally on public contracts, or to use public
> spending as a tool for economic development, environmental protection
> and support for local farmers and small businesses. Procurement rules
> in the CETA combined with investment protections related to transit,
> water, electricity and other public services delivered locally may
> lock in privatization and make it prohibitively expensive to apply new
regulations, to re-municipalize services, or create new municipal
programs.

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> A clear example of the impact of CETA is that, under CETA, Ontario's
> Green Energy Act manufacturing requirement that 60% (for solar) and
> 50% (for wind) must be done in-province would *not be permitted*. This
> mean the loss of local industry and local jobs. See the Shrybman report
for more details:

> [http://www.civicgovernance.ca/files/uploads/FINAL-Shrybman_CETA_report](http://www.civicgovernance.ca/files/uploads/FINAL-Shrybman_CETA_report.pdf)
> .pdf

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> The Guelph Civic League urges the City of Guelph follow the lead of 16
> other Canadian municipalities and demand that the province exempt
> Guelph from the Canada-EU CETA in order to protect local democracy and
> local businesses (Toronto is among the municipalities now considering
> exemption). We hope councillors on the CAFES committee will vote in
> support of the CETA motion on Monday as a first step towards this goal.

Hi City Council, and top of the season to you all. Unfortunately I will not be able to make tonight's Council meeting – still a few more events to go to before Christmas.

A few brief points from the Chambers of Commerce on both sides of the ocean, and really around the world.

- 1) Free trade is a good thing to aspire to. Chambers of Commerce and Boards of Trade around the world advocate for free movement of goods and people.
 - a. I was fortunate to speak with President Vaclav Havel last year when he spoke at the Arboretum. His point was very clear and well articulated. Chambers of Commerce should focus on establishing free markets. Period. He was critical of Chambers supporting business more than markets, which was a very challenging argument. Create the conditions for businesses to compete freely and without political subsidies. He challenged the United Nations (which he thought was a waste of time) but really saw Chambers of Commerce as a vehicle for change that could be effective. Sorry, I said "brief points" didn't I?
 - b. Competition brings forward the best ideas and ensures businesses and people drive to reduce inefficiencies. This does bring the cost of goods down, but Canadians have been competing very effectively globally, and Canada has the strength to win in any market. If EU businesses add competition at the municipal level it will only ensure we have the best ideas at the best prices possible. Government procurement is a big topic. Guelph businesses have always been against barriers to procurement, and always say that works both ways.
 - c. Reducing red tape helps all sizes and types of businesses.
- 2) Guelph businesses need access to all international markets.
 - a. The significance of the USA market to Canadian business will continue and should never be underestimated in terms of its importance. As the USA market continues to have its challenges, though still the strongest market in the world by more than a factor of 2, Canadians need to diversify our exports. There are many Guelph businesses that deal in the EU, for which negotiating an effective trade deal would be a very good thing.
 - b. The Canadian Chamber of Commerce is working with the Federal government to establish effective access to the EU markets. Yes, they want access to our market as well so there are two sides to this deal. (There is no conspiracy theory on this.) The Canadian Chamber is working with the 192,000 businesses across Canada for their input. Yes, Guelph is involved.
 - c. Many EU businesses have locations in Guelph, and Guelph businesses deal in Europe. Wurth, ProMinent Fluids, Linamar. La Bottega, Raquel Saulino Consultant, TUV Sud, Sleeman, the names go on and on. Of course, there are a lot of Italian connections at the small business level as well. Lowering the cost of acquiring goods, or shipping into Europe will help Guelph business to compete, and employ more people here.
- 3) Free Trade brings out protectionist sentiments
 - a. We saw this with the North American Trade deal when it was being negotiated. The result was not having the sky fall down on us. It has stimulated investment in North America, with a key component for Canadian business being stimulating export, and assisting in machinery imports. You will hear a lot of

opinions about jobs transferring out. Canada has a lower unemployment rate than either NAFTA partners and in fact has benefited from foreign direct investment that continues. GREAT to see some progress on opening our borders with the USA in the past month. We have been doing a LOT of work on this, as there are many Guelph businesses being negatively impacted.

- b. Some key elements being worked on are IP protection and access to each other's government procurement channels. Other areas can lead to access to skilled trades and professionals with recognition of credentials. Setting political barriers does not head in the right direction.

Open market is not something to be afraid of. Capitalism works. The EU provides opportunity as the second largest economic zone in the world, next to the USA. India, China and Brazil are affecting global markets in many ways and strengthening western markets through a more free access to each others markets is an important strategy moving forward. From the Canadian Chamber play book, below. Highlights are mine.

International Policy

Advance the Canadian Chamber's U.S. border, energy, regulation and intellectual property agendas.

Develop an international agreement to mitigate and adapt to climate change that includes all major GHG-emitting countries with realistic and achievable commitments.

Push for a successful conclusion to an ambitious Canada-EU Comprehensive Economic and Trade Agreement and for the conclusion to the WTO Doha Round negotiations.

Promote the broadening of trade and investment relations with China, India and other key markets.

Vigorously defend against protectionism.

Ensure that trade rules are adhered to and that unfair trade practices are quickly addressed.

Ensure that Canada provides a predictable investment climate for its companies investing abroad through the negotiation of Foreign Investment Protection and Promotion Agreements (FIPAs).

- Ensure continuation of voluntary approaches to corporate responsibility initiatives

More details at:

http://www.chamber.ca/images/uploads/General/2011/Policy_Priorities2011.pdf

Lloyd Longfield,
President & CAO
Guelph Chamber of Commerce