



July 28, 2010

Office of the President and
Chief Executive Officer

Cabinet du président
et chef de la direction

Dear Premiers:

As you gather for your annual Council of the Federation meeting in Winnipeg on August 4-6, the Canadian Chamber of Commerce asks that you include in your deliberations issues our members believe you have the power to significantly influence. These issues are the Agreement on Internal Trade (AIT), Canada's relationship with the United States, the Canada-EU Comprehensive Economic and Trade Agreement (CETA) negotiations, and reforms to the Canada Pension Plan.

The Canadian Chamber of Commerce is Canada's most representative business association. With our network of more than 340 local chambers of commerce and boards of trade, as well as our corporate members, we speak for approximately 175,000 businesses of all sizes in every region of Canada.

Agreement on Internal Trade (AIT)

Canada's businesses need to have remaining domestic barriers to trade and mobility removed to improve their competitiveness at home and internationally. As Canada expands its international trade opportunities, it is critical that domestic barriers to the movement of goods, services and people be eliminated. There has been recent progress on the AIT with the amendments of 2009 removing some restrictions on domestic labour mobility. Unfortunately, remaining barriers in areas, such as accounting, continue to hinder the development of a comprehensive and effective trade agreement within Canada. The Canadian Chamber urges the provincial and territorial governments to work together to eliminate remaining ineffective and unnecessary regulatory hurdles to the flow of goods, services and people within Canada.

Canada's relationship with the United States

The only way to ensure Canada's interests remain on the agenda in Washington is through the development of a long-term, well-funded, and comprehensive engagement strategy. The Canadian Chamber applauds the work of the Council of the Federation, in particular your February 2010 visit to Washington and joint meeting with U.S. governors. We hope that you will continue your engagement with your U.S. counterparts and focus on the removal of barriers to trade, regulatory alignment, facilitation of the efficient and secure movement of goods and people across the border, as well as environmental and energy security.

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The Canada-EU Comprehensive Economic and Trade Agreement (CETA) negotiations

If the recession has taught us anything it is that Canada needs to pursue all opportunities to assist businesses to grow and expand the scope of their access to international markets. This will allow Canada's businesses to adapt to economic shifts, expand their global customer base, raise their appeal as destinations for overseas direct investment, boost business competitiveness, and create the jobs which will allow communities and families from coast-to-coast-to-coast to prosper.

This is why the Canadian Chamber strongly supports an ambitious, timely and successful conclusion to the CETA negotiations. Our members view Europe as a prime market for their goods and services, and as a key source of investment. The EU is Canada's second largest trade and investment partner, with a vast market of nearly 500 million consumers.

We call upon the provincial and territorial governments to continue playing an active role in the CETA discussions, and to continue contributing to the negotiation process to reach a successful final agreement.

A successful Canada-EU CETA is vital for strengthening the ability of the provinces and territories to access global trade and investment opportunities for their resources, manufactured goods and services globally, and to expand the quantity and quality of jobs in these sectors.

Canada Pension Plan (CPP) reforms

The recession's impact on the financial markets has moved the issue of Canadians' retirement savings to the front burners of all governments. Prior to the June finance ministers' meeting, federal Minister of Finance, Hon. Jim Flaherty, announced he believes that, in addition to taking legislative measures to allow private sector providers to offer more retirement savings solutions to employers and employees, a "modest, phased-in and fully funded enhancement to defined benefits under the Canada Pension Plan" should be considered. CPP is a payroll tax and payroll taxes are, at the end of the day, a tax on jobs. Before proceeding with any CPP reforms the Canadian Chamber asks that you carefully consider the impact of increasing premiums on employers and employment growth.

It is the position of our members that any CPP improvements should focus on measures to reduce or eliminate disincentives to older workers remaining in the workplace. If the federal, provincial and territorial governments decide to augment CPP as a means of increasing Canadians' retirement savings, it should be on a voluntary basis and funded by premiums paid by employees only. This is not the time to add to employers' costs by increasing their payroll tax burden, particularly when they face significant increases in Employment Insurance premiums in 2011 and for several years following.

Please accept my best wishes for your meeting. I look forward to learning of its outcomes and would be pleased to discuss any or all of these issues with you.

Sincerely,

A handwritten signature in black ink that reads "Perrin Beatty". The signature is written in a cursive style with a large initial "P".

Perrin Beatty
President and Chief Executive Officer

c.c.: Hon. James Flaherty, Minister of Finance
Hon. Lawrence Cannon, Minister of Foreign Affairs
Hon. Peter Van Loan, Minister of International Trade



August 12, 2010

Mr. Perrin Beatty
President and Chief Executive Officer
Canadian Chamber of Commerce
420-360 Albert Street
Ottawa ON K1R 7X7

Dear Mr. Beatty:

A handwritten signature in blue ink that reads "Perrin".

Thank you for your letter of July 28, 2010 regarding issues for discussion at the annual summer meeting of the Council of the Federation (COF). I am pleased to report that Premiers are taking action with regard to each of the issues that you have raised.

On internal trade, we have directed our Ministers to move toward full labour mobility in the financial sector by July 2011 and have directed them to take steps toward reconciling extra-provincial corporate registration and reporting requirements – a longstanding barrier to business growth and development within Canada.

Premiers are working to build on the relationships we have founded with US governors to ensure movement of goods and people across our common border and to promote Canada as a prime supplier of clean and renewable energy.

Premiers strongly believe in the need to open and deepen our international trading relationships. Provinces and territories will continue to work with the federal government toward the successful conclusion of an economic and trade agreement with the European Union. We have also called on the federal government to work with us to strengthen our trading relations in emerging Asia-Pacific markets.

Premiers are monitoring work being done by Finance Ministers on options for improving retirement income security for all Canadians. We have agreed to meet later this year to review options now being developed by Ministers.

I have attached copies of the council's communiqués from our August 5-6, 2010 meeting in Winnipeg for your convenience.

Thank you again for sharing your views on these important issues.

Yours truly,

A handwritten signature in black ink that reads "Shawn Graham".

Shawn Graham
Premier

Attachments: COF communiqués, August 2010

