

January 23, 2009

The Honourable Tony Clement, P.C., M.P.
Minister of Industry
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5

Dear Minister:

In October 2008, the Canadian Chamber of Commerce held its 79th Annual General Meeting (AGM) in Québec City. One of the highlights of Canadian Chamber's AGM is the Policy Session. It is during the Policy Session that resolutions submitted by local chambers of commerce and boards of trade from across the country are debated and voted on by accredited delegates. Once approved, these resolutions become policy of the Canadian Chamber for three years. This year, delegates issued a clear national policy mandate that we will pursue vigorously with the federal government over the coming months.

Our renewed national policy mandate includes a number of new issues that fall within your portfolio. Accordingly, we would like to discuss these issues with you directly in the near future. I have outlined these policy positions below.

Private Sector Privacy: Maintaining a Proper Balance: The Canadian Chamber has worked closely with the federal government over the years to ensure that the *Personal Information and Electronic Documents Act (PIPEDA)* is working well for both consumers and business. We recommend that when considering amendments to the *PIPEDA* legislation, the federal government must ensure a proper balance of interests and that federal and provincial legislation be harmonized where possible to avoid duplication. The government should also work with the business community on establishing privacy breach notification guidelines and continue to inform businesses, especially small and medium sized businesses, of their privacy responsibilities.

Preventing Identity Theft: The use of someone else's personal information to commit fraud - identity theft - has emerged as a very serious problem for consumers, law enforcement agencies and the business community. The Canadian Chamber is encouraged that the government had introduced Bill C-27 dealing with identity theft and we are asking that this legislation be tabled and passed swiftly.

Improving Consumer Choice: Removing Inter-Provincial Trade Barriers to Sales of 100% Canadian Wine: In the case of 100% Canadian wines, inter-provincial trade barriers continue to hamper consumer access to support the Canadian wine industry. The federal government must commit to reducing inter-provincial trade barriers by

working with the provinces and territories to enable the direct sale and delivery of 100% Canadian wines.

Biopharmaceuticals – Healthcare as an Economic and Competitiveness Driver:

Canada must re-establish itself as a favourable destination for research and development investments in order to remain competitive in a knowledge-based economy. Having a robust pharmaceutical industry results in better patient outcomes, job creation and a stronger economy overall. As part of an improved pharmaceutical policy, the government must address: better protection of intellectual property rights; improving the drug review and approval process; and allowing better access to drugs.

Focused Strategy for Mineral and Mining Excellence: Canada is one of the largest producers of minerals and metals in the world, with an overall value of over \$40 billion in 2007. Given the importance of this industry, the federal government must ensure that Canada remains a global leader in innovation, technology, and knowledge production related to the discovery, production and use of minerals and fully exploit the potential of Canada's mineral resources.

Expedited Application and Funding Approval Process for Bio-Product

Applications: We are recommending that the federal government expedite the approval process for all incentive programs related to renewable chemicals, fuels, bio-composites and evolving industrial bio-product applications.

Expanded Capital Support for Bio-Products: The federal government must expand the mandate of the Eco-ENERGY for biofuels program, modify the mandate of the EcoAgriculture Biofuels Capital Initiative and look into the feasibility of a federal program that would support commercial scale manufacturing facilities.

A National Automotive Strategy for Canada: Given the current economic climate, it is imperative that the federal government establish a National Automotive Strategy. With many manufacturing jobs on the line, the federal government should set out a comprehensive strategy that encourages investment in the industry and it must be sustainable.

Canadian Industry Program for Energy Conservation: For more than 30 years, the Canadian Industry Program for Energy Conservation has been helping Canadian industry boost its bottom line by using energy more efficiently. The federal government should work to increase public knowledge of this program by undertaking an aggressive education campaign so that Canadians are aware of this excellent program.

Developing a Skilled Workforce for a Globally Competitive

Value-Added Products Industry: The Canadian Chamber recommends that the federal government work with local, provincial and territorial governments to identify leading edge research, development, technology and innovation initiatives and link information from those initiatives to current and new industries in the value-added products sector.

Incentives for Commercialization of Research and Development in Canada: An opportunity exists to improve Canada's SR&ED program. The Canadian Chamber recommends that the federal government immediately expand the existing SR&ED

program to include commercialization projects that relate to bringing new products and processes developed under the program to the marketplace. Under the program, credits should be provided directly to investors for monies invested in commercialization projects.

Replacing the Agreement on Internal Trade: The Agreement on Internal Trade was considered a good first step in improving interprovincial trade but it still allows for trade restrictions and the dispute settlement mechanism has no enforcement capabilities. We recommend that the federal government undertake a process where the provinces, territories and the federal government replace the AIT with a new national agreement to reduce and remove barriers to trade, investment and labour mobility.

The full text of these resolutions is attached and I hope that we will have an opportunity to discuss these with you in the near future. We will contact your office shortly to set up a meeting.

Sincerely,

A handwritten signature in black ink that reads "Perrin Beatty". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Perrin Beatty
President and CEO

Attachments

CC: Richard Dicerni, Deputy Minister, Department of Industry
Mike Lake, Parliamentary Secretary to the Minister of Industry

Minister of Industry



Ministre de l'Industrie

Ottawa, Canada K1A 0H5

3/6/09
The Honourable Perrin Beatty, P.C.
President and Chief Executive Officer
The Canadian Chamber of Commerce
360 Albert Street, Suite 420
Ottawa, Ontario K1R 7X7

Dear Mr. Beatty: *Perrin*

Thank you for your letter of January 23, 2009, highlighting elements of the Canadian Chamber of Commerce's renewed policy mandate. It was a pleasure meeting with you on April 20, 2009.

As you are aware, our government has moved quickly, via Budget 2009, *Canada's Economic Action Plan*, to act on a number of priorities identified by the Chamber in order to improve access to financing, help stimulate individual spending, support businesses and communities, and improve Canada's infrastructure. In acting on these priorities, we are making progress on many of the issues you have raised.

The government is aware that the availability of credit is perhaps the most significant issue facing Canadian businesses today. To extend additional financing to Canadian businesses in the current extraordinary circumstances, Budget 2009 enhanced the resources and scope of action available to Export Development Canada (EDC) and the Business Development Bank of Canada (BDC).

These enhancements include a new Business Credit Availability Program to improve access to financing for Canadian businesses through strengthened cooperation between private sector financial institutions and the financial Crown corporations. The BDC will also manage, on the government's behalf, the Canadian Secured Credit

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Facility (CSCF), which will facilitate the provision of new credit to businesses and consumers through the purchase, from eligible institutions in Canada, of up to \$12 billion of asset-backed securities backed by loans and leases on vehicles and equipment.

With regard to the automotive sector, we recognize that the auto industry is critical to Canada's economy and we are taking action to address the short-term financing challenges of automotive assemblers, parts manufacturers and consumers. As announced in Budget 2009, we are working to develop a principles-based strategy to position Canada's automotive sector for sustainable, long-term success, while ensuring that taxpayers' interests are protected.

I recognize the importance of the Scientific Research and Experimental Development (SR&ED) Tax Incentive Program to the Chamber and its members. Budgets 2008 and 2009 enhanced the availability and accessibility of the financial support for R&D performed by small and medium-sized enterprises, and invested an additional \$10 million annually to allow the Canada Revenue Agency to improve the administration of the SR&ED Program. As you are aware, the SR&ED tax incentive falls under the responsibility of the Minister of Finance, and I encourage you to share your views on this issue with Minister Flaherty.

Please be assured that we are committed to supporting Canada's information and communications technologies sector, as the Chamber recommends. The points raised in your Action Plan regarding the *Personal Information Protection and Electronic Documents Act* (PIPEDA) provide input that we will take into consideration as we examine legislative amendments to PIPEDA called for during the recent review of the Act.

In response to the impetus provided by the Trade, Investment and Labour Mobility Agreement (TILMA) signed by British Columbia and Alberta, we have also been collaborating with the provinces to incorporate TILMA's key elements into the Agreement on Internal Trade (AIT). To this end, on January 16, 2009, First Ministers endorsed two amendments to the AIT. The first provides for full labour mobility as of April 1, 2009, and the second strengthens the dispute mechanism by adding monetary penalties

for failure to comply with AIT obligations. In addition, First Ministers agreed to identify priority areas for harmonizing business regulations and standards. We are developing a work plan, in partnership with the provinces, to address this commitment for approval by First Ministers at the June 16, 2009 meeting of the Committee on Internal Trade.

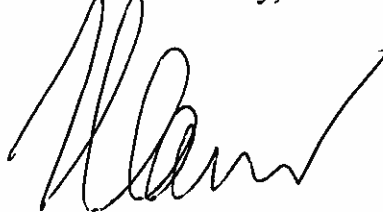
I also wish to highlight the government's commitment to Canada's long-term, international competitiveness. We have passed legislation to modernize Canada's competition and investment policies, implementing many of the recommendations of the Competition Policy Review Panel. These received Royal Assent on March 12, 2009. The changes to the *Investment Canada Act* will encourage foreign investment, increase transparency, and ensure that new investments cannot jeopardize Canada's national security. The changes to the *Competition Act* will better protect consumers and businesses from anti-competitive behaviour, such as price fixing and deceptive business practices. These reforms will improve the competitiveness of Canadian businesses, better protect consumers, and make Canada a more innovative and productive country.

I will continue to work with my Cabinet colleagues on other issues you have raised, such as strengthening intellectual property protection and ensuring a competitive biopharmaceutical industry.

Once again, thank you for bringing your renewed policy positions to my attention. The Chamber's work will continue to be vital as we chart the course through these difficult economic times and work to enhance Canada's competitiveness.

Thanks for your
continued
encouragement &
advice!

Yours sincerely,



Tony Clement