

January 23, 2009

The Honourable Stockwell Day, P.C., M.P.
Minister of International Trade and for the Asia-Pacific Gateway
Foreign Affairs and International Trade Canada
125 Sussex Drive
Ottawa, ON K1A 0G2

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 79th Annual General Meeting (AGM) in Quebec City. One of the highlights of 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 the policy position of the Canadian Chamber of Commerce for three years. This year our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

Beyond those issues we have already brought to your attention, our renewed national policy mandate includes a number of additional issues that fall within your portfolio. Accordingly, we would like to discuss these issues with you directly in the near future.

Responsible Business Conduct: Successful businesses understand that the contributions they make to society and the communities where they are present help to maintain their social license to operate. However, their role is subordinate to governments' responsibility in the economy, environment and society. Non-governmental organizations also have a role to play, as all actors must conduct themselves in a transparent, responsible and accountable manner. We call upon the federal government to promote and celebrate the world-leading responsible business conduct undertaken by Canadian companies, as they can provide a competitive advantage when they invest abroad and help to make them a partner of choice for trade and investment. We also recommend that responsible business conduct remain a voluntary corporate practice; that the federal government work internationally to build governance capacity in host governments through bilateral and multilateral activities and forums; that our trade commissioners be better trained to support and advise Canadian companies investing and operating internationally, particularly in weak governance zones; and that non-governmental organizations to be encouraged to operate in a transparent and accountable manner through the adoption of an explicit governance code.

Steel Industry Trade: Canadian steel producers are world class and competitive. To fully capitalize on growth opportunities, fair, open, and market-based international competition must exist in the Canadian market. This will ensure that Canadian producers remain competitive. We recommend that the federal government provide an international trade environment that will encourage continued investment in Canada to strengthen the domestic steel industry as it competes globally. Further, we should negotiate for strict trade rules through the World Trade Organization (WTO) and use trade remedy mechanisms in a WTO and NAFTA-consistent manner to assess and respond to threats to the Canadian steel industry.

Foreign Trade Zone: Foreign trade zones (FTZs) offer a flexible, streamlined, and profitable approach to the movement of goods and services that will encourage Canadian businesses to take advantage of manufacturing, storage, distribution, value-added, domestic and re-export trade opportunities. An effective and efficient FTZ program will ultimately increase Canada's competitiveness in the global supply chain. We recommend that the federal government take appropriate measures to implement a well published and easily accessed FTZ program that embraces the application and enforcement concepts in Canada's Export Distribution Centre (EDC) program.

Moving Forward on Open Skies: Canada has embarked on a National Gateway and Corridor strategy. Providing more air access is a prerequisite to achieving Gateway success. We recommend that the federal government provide the necessary resources to fast track Canada's Blue Sky International air policy and in principle aggressively pursue "open skies" agreements covering both cargo and passengers in all bilateral air transport negotiations. We should adopt a balanced approach to stakeholders, recognizing the needs of Canada's air carriers and take into consideration community stakeholders. Individual airports, as community representatives, must be granted observer status at air negotiations comparable to that of airlines. Also, we should adopt a transparent policy with respect to public access to air treaties so that they no longer include confidential addendums or MOUs, particularly related to commercial articles.

Enhancing Canada's Global Export Advantage – Canada's Asia-Pacific Gateway Export Hubs: Canada's continued and future economic growth is closely linked to its ability to reach global markets. The recognition of Canada as an efficient and reliable exporter of major commodities to help feed the world's population and fuel the building of modern infrastructure is one of Canada's most significant competitive advantages. Today, with increased competition from U.S. ports, constrained rail and terminal access infrastructure no longer meets operational demands, community safety, or environmental expectations. So far public investment in Canada's Pacific Gateway has not adequately addressed the needs of Canadian bulk product exporters who use this Gateway. Without targeted Gateway funding to address the needs of Canadian commodity exporters, the reliability and future growth of Canada's export economy is at risk. To ensure the continued reliability of Canada's export hubs, we recommend that the federal government enhance investments in Pacific Gateway infrastructure to better facilitate the export of bulk and break bulk goods from Canada to global markets.

International Climate Change Framework: Climate change is a global issue that requires global solutions. We support the development of an international framework

to reduce global greenhouse gas emissions on a long-term basis that includes all major GHG-emitting countries.

Definition of the Precautionary Principle: The federal government has long supported the “Rio” definition of the precautionary principle, which reads: “Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” This is the definition that should be used in all legislation, regulations, and treaties rather than alternative definitions that have been used in some instances (such as the *Marine Conservation Areas Act*).

The full text of these resolutions is attached and we hope that we will have an opportunity to discuss these with you in the near future. My assistant will be calling your office 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: Louis Levesque, Deputy Minister of International Trade, Foreign Affairs and
International Trade Canada
Gerald Keddy, Parliamentary Secretary to the Minister of International Trade