

November 13, 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, the Canadian Chamber of Commerce concluded its 80th Annual General Meeting (AGM) in Victoria. 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.

The Development & Deployment of Broadband Capabilities in Canada: As noted in the Canadian Chamber's report: *Mapping the Future of the Digital Economy*, the effective development and deployment of broadband networks and facilities is vital to ensuring Canada's competitiveness on the global level. The federal government must continue to rely on private sector investment to drive the rollout of broadband networks.

Accelerating SME e-Business Adoption: Focus on Productivity & Profitability: The effective use of information and communications technology (ICT) by small firms makes a strong contribution to their productivity and profitability. Many SMEs are not using ICT to their advantage. We recommend that the government establish a National ICT adoption strategy to better advance ICT adoption among SMEs.

Canada to Establish the Position of Chief Technology Officer:

Canada should appoint a Chief Technology Officer well versed in science and technology issues with a mandate to guide government with regard to technology trends and how technology relates with legislation and policy. This position should report to the Prime Minister in an advisory capacity.

Fighting Cybercrime Beyond ID Theft and Spam: We welcomed the government's action on identity theft with the passage of Bill S-4. Beyond that, more can still be done to fight cybercrime. The Canadian Chamber is pleased that the government is looking to amend the Criminal Code to modernize search and seizure and intercept provisions with Bill C-47 currently being debated in the House of Commons.

The Competition Act: The Competition Act is framework legislation that is vital to the operation of Canadian industry. The Canadian Chamber recommends that the government ensure full and open consultations with stakeholders when considering amendments to the Act; maintain the Act's general applicability without introducing industry-specific provisions; and direct the Commissioner of Competition to continue to enhance transparency and predictability of the interpretation and enforcement of the Act.

Product of Canada Label: Without prior consultation, the government has implemented a 98% level of Canadian content for use of the Product of Canada label, which surprised the national food processing industry. We recommend that the government revise this policy and put the number back to 85% for Canadian content required for a food product to be eligible to use the Product of Canada claim on its label.

Counterfeiting and Piracy: Product counterfeiting and piracy continues to have a major impact in Canada and worldwide. Changes are desperately needed to Canada's intellectual property rights system to ensure Canadian law enforcement have the authority and power to search and seize suspected counterfeit goods at Canada's gateways.

Improving Access to Scientific Research and Experimental Development (SR&ED) Incentives in Canada: Stimulating business spending on research and development (R&D) will ensure Canada remains at the forefront of scientific capability, enhancing our ability to shape and improve our nation's future. We recommend that the government expand the refundability of the SR&ED tax credit to all R&D performers and offset the SR&ED tax credits against a pre-tax levy, like employer EI premiums. The government should also consider expanding the investment tax credits for collaborative R&D.

I would like to discuss these issues with you directly in the near future and look forward to speaking with you.

Sincerely,

Perrin Beatty
President and Chief Executive Officer

Attachments

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