

AN OPEN LETTER TO CANADA'S PREMIERS



July 20, 2007



Dear Premiers,

We are writing to ask that you approve changes to the Agreement on Internal Trade's dispute resolution procedures to ensure that governments fully comply with panel rulings.



We understand that you will be considering this issue at the Council of the Federation's annual meeting in Moncton from August 8-10, 2007.



There are many problems with Canada's domestic trade agreement: it is limited, complex and inaccessible to businesses and others who have real trade issues. But what makes the Agreement on Internal Trade (AIT) ineffective is the absence of any consequences if governments fail to comply with their obligations and with trade panels' findings in a timely way.

DPAC-ATLC



There are also many reasons why Canada needs an effective domestic trade regime: to provide the clarity and certainty that business needs to innovate and grow; to improve our competitiveness and productivity; and to eliminate the continuing drain on national resources that results from government measures which restrict or impede domestic trade and commerce for no good or justifiable reason.

Above all, Canada needs a fully functioning and effective domestic market framework because we cannot be a real player in international trade without it. Canada cannot have any credibility as a trading partner or in trade negotiations as long we have a market that includes policies and practices that restrict and impair trade.

Those of us who have signed this letter represent major economic and public policy sectors in Canada. We understand the importance of this issue to Canada's economic future and we are looking for governments to take the action necessary to deal with this deficiency in our internal trade rules.

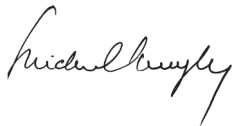
We are concerned that the Council of the Federation's project to resolve problems with the AIT has been incremental and ineffective because it lacks any clear objective. That objective should be to establish a domestic trade regime that is comprehensive, unconditional and has consequences if governments do not respect it.

We ask that premiers demonstrate Canadian governments' commitment to an open, efficient and predictable domestic market by taking the following initiatives:

- 1) Make binding changes to the AIT's dispute resolution mechanism so that it includes real consequences if governments fail to comply with their domestic trade obligations, including providing a mechanism for the private sector complainant to seek real remedies once a panel has found a government measure to be trade restrictive; and
- 2) Make a binding agreement that this revitalized AIT will apply to all government measures without qualification or exception other than for legitimate purposes as outlined in the Agreement, which does not include any form of trade restriction or protectionism.

We ask that the above, in the interest of Canada's economic prosperity, be agreed and completed at your August 8-10 Council of the Federation meeting, and we respectfully request public confirmation that you have done so in a timely manner following the meeting.


Respectfully yours,



Michael Murphy
Acting President and Chief Executive Officer
The Canadian Chamber of Commerce



Thomas d'Aquino,
Chief Executive and President
Canadian Council of Chief Executives



Carole Presseault,
Vice-President, Government and
Regulatory Affairs
Certified General Accountants
Association of Canada



Jayson Myers
Senior Vice-President & Chief Economist
Canadian Manufacturers & Exporters



Don Jarvis
President and CEO
Dairy Processors Association of Canada



Sean McPhee,
President
Vegetable Oil Industry of Canada

Name
Title
Company