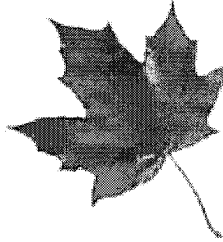


Submitted by *Councillor Wong-Tam*
Ken Hampson

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Letter to the Editor: CETA will rob cities of vital tools **iPOLITICS INSIGHT**

Posted on Tue, Feb 14, 2012, 10:29 am by Kristyn Wong-Tam

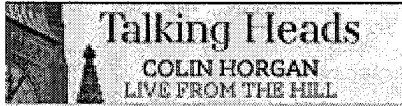
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Peter Clark's article, "**Truth is the best weapon to combat the CETA paranoia pandemic**" suggests that raising awareness about the impact of including Toronto in CETA is "peddling groundless and misinformed claims" about the proposed agreement. I would like to take this opportunity to clarify why Peter Clark's article is not only misinformed, but damaging and misleading for all Torontonians.

Mr. Clark accuses cities that care about their local economies of succumbing to what he essentially describes as lies from the Council of Canadians and CUPE. This belittles the work that's been done by trade experts at the Canadian Centre for Policy Alternatives and legal opinions from the Columbia Institute, both respected and important institutions in Canada. Most individuals and organizations that have monitored the CETA debate have paid far more attention to the procurement issue than it appears Mr. Clark has.

Mr. Clark does not seem to recognize the importance of the role of municipal governments in local decision-making to protect the interests of residents living in cities, and how the absence of this may ultimately cripple local economies.

Suspending Toronto’s democratic rights



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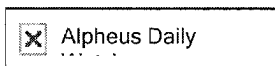
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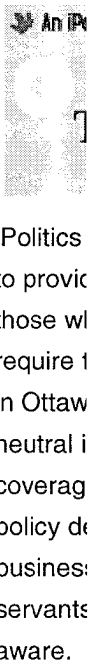
Mr. Clark believes CETA will benefit cities by having other levels of government represent local interests. He is not clear about the fact that having the Province and Federal Governments negotiate and make decisions for Toronto is not only undemocratic but contrary to ensuring the best outcomes for Torontonians. Toronto, as Ontario’s economic engine, must be an equal decision-making partner. CETA will eliminate Toronto's right to choose and control what, and how, procurement takes place, which is currently a critical vehicle for local job creation and economic development. Toronto must retain our rights and our options to build and hire locally.

Municipal powers

Public interest and not corporate interest is what must govern local economies and communities. I believe the role of city councillors is to ensure that Torontonians and our ability to actively participate in local job creation is not compromised as a result of CETA. It is also the role of councillors to ensure that rules are in place to make sure that Toronto’s small and medium-sized businesses are not out-bid by powerful and politically-connected European multinational corporations. If CETA will indeed have no adverse impact on local economies or job creation strategies, I find it difficult to understand why there is a fear of inviting municipalities to the table, to negotiate as equal partners, any terms to be included in the agreement. The Federation of Canadian Municipalities got it right when president Barry Urbanovic, stated the need to protect “local decision-making that is the lifeblood of strong, healthy Canadian communities.”

Local economic development

The municipal procurement market is worth 98 billion per year. Toronto has a practice of hiring, building and purchasing locally in many areas. From food purchases to transit, local preferences



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have yielded benefits to our city and as Torontonians we have been able to put into place conditions that ensure direct economic and social benefits for residents of our city. The province has implemented similar protections related to energy- local preferences on solar and wind power investments for Ontario. The provincial government has been clear that liberalization of this is not an option. Toronto should have the same powers to create sustainable jobs and attract investment — all municipal governments should have the same rights.

What Mr. Clark fails to mention are the powers municipalities give up as a result of not being part of the process of negotiation, and the potential impact this will have. As stressed by the Council of Canadians and the Federation of Canadian Municipalities, without the ability for local decision-making, CETA could:

- Ban cities from applying “buy local” or “buy Canadian” preferences to contracts, or require a certain percentage of goods, services or labour be sourced from Canada;
- Ban cities from creating conditions in procurement contracts that support the important values that Canadians believe in that support healthy and strong economies, such as environmentally-friendly products; preferences for contractors that support principles of access and human rights; preferences for businesses that add social and economic value, mitigating the inequities in the market system — examples include preferences for businesses that actively promote or employ women, low-income people, youth and other marginalized groups.

Local purchasing is a very real issue that is at risk with Toronto being part of CETA and the residents of our city need to know this. There is enough research on the increasing levels of concentrated poverty in our city. By allowing Toronto to be part of CETA, we are eliminating important opportunities, rights and vehicles for reversing this trend. This is not, as Mr. Clark suggests, about union bashing — if Mr. Clark took the time to think about the impacts from a local perspective, he would understand this is about giving cities their equal say at the table and protecting the rights of municipalities to have agency over our own economic development tools

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C-278, An Act respecting a day to increase public awareness about epilepsy

S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters

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C-26, An Act to amend the Criminal Code (citizen's arrest and the defences of property and persons)

C-288, An Act respecting the National Flag of Canada

Since Canadian cities were shut out of CETA negotiations, many municipal governments have rightly passed resolutions to protect their businesses and residents. They have rightly called for the exemption of their local jurisdictions from any binding international trade agreement that did not consult or involve them, but will no less dramatically impact them. Toronto residents deserve no less of a political statement from their city councillors. If we do not look after Toronto's interest, who will?

Kristyn Wong-Tam is Councillor for Ward 27, Toronto Centre – Rosedale

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Back to Canada-Europe trade deal prohibits provinces, municipalities from favouring local bidders on contracts

Canada-Europe trade deal prohibits municipalities from favouring local bidders on contracts

February 24, 2012

Linda Diebel

An impending trade deal with Europe is ringing alarm bells across the country.

Under the deal, Canada has agreed to European demands to prohibit municipalities and provinces from offering incentives or otherwise favouring local bidders on procurement contracts.

The effects on Toronto could be serious:

Could the TTC still impose Canadian content rules for its vehicles if faced with a European trade challenge? Could the city continue to ensure certain construction projects hire youths from priority neighbourhoods? Could the city still award food procurement contracts to support local farmers?

A special report by city manager Joseph Pennachetti and obtained by the *Star* raises red flags about its consequences.

And last week, Toronto's executive committee, armed with the report, asked Ontario to ensure municipal procurement needs are preserved under the trade deal. It thereby joined 30 other municipalities that filed similar protests — some seeking outright exemptions.

"We are alarmed," said city councillor Michael Thompson, an executive committee member.

"We want to take a position that supports free trade (but) we don't want to see our economic independence eroded," said Thompson, adding that the committee's biggest concern is that it doesn't understand the process.

Under the draft agreement, any contracts above \$340,000 for goods and services and \$8.5 million for construction contracts are subject to a European challenge if a European company thought it was being excluded.

Stuart Trew, a Council of Canadians trade campaigner, says the U.S. government and states always carve out exceptions in their trade deals. "But in CETA, 'Buy Canada' simply disappears over the low thresholds — away forever."



Under the draft agreement, any contracts above \$340,000 for goods and services and \$8.5 million for construction contracts are subject to a European challenge if a European company thought it was being excluded.

Councillor Glenn De Baeremaeker, who sought a full exemption, argues the deal jeopardizes Toronto's horse outside city hall, it's being invited in and we have no idea at all what's going to happen."

The pact is called the Canada/European Union Comprehensive Economic and Trade Agreement (CETA). The previous comprehensive deal signed by Canada, the U.S. and Mexico (NAFTA) covers only feder.

This time, Europe was "determined" to open up all levels of government, according to the Feb. 2 Penn. "ABCCDs" — the city's agencies, boards, commissions, corporations and divisions. They include the T system. And the same rules also apply to provincial agencies for the first time.

It may already be too late for exemptions, according to Ontario Economic Development Minister Brad D

"The challenge with exempting municipalities is that, once you start, you might exempt your way right c slippery slope and not something I would contemplate doing."

Talks began in 2009 and officials completed their ninth and apparently final round last October, with th by summer.

"The ultimate implications of CETA are difficult to predict," says the Pennachetti report. "This is particu been made public and there has been very little analysis shared by federal negotiators about the speci force members that would benefit."

Concerned citizens across the country have banded together to fight the deal. They include municipal environmentalists, economists, students, teachers and students.

In Noëlville, in the French River region of Ontario, Julie Dupuis supports her council's decision to seek personal. She says her great-grandfather was a co-founder of the *caisse populaire* in an area where c important to buy and hire locally, she says, and ensure residents have control over their own developm

Brian McHattie, a Hamilton councillor who spearheaded a successful exemption motion, argues cities hires and value-added benefits. He sees "large European firms coming in and bidding against us on in treatment plants and that's a hugely unfair advantage."

In Sackville, N.B., Merrill Fullerton fought as a rookie councillor for exemption from CETA because he more than two decades of trade deals, left his city without foundries and many blue-collar industries. H but sees a pattern of people pitted against global giants — and losing.

International Trade Minister Ed Fast was not available for comment. But an aide sent an email: "With c by trade, we will continue to deepen our trade and economic ties with high growth markets to set the fc growth in Canada."

The Pennachetti report says the deal could provide significant new markets, but that strategies must b delivers on promised benefits."

It says a Canadian/European study estimates a comprehensive deal will result in an annual GDP increase of 0.5% for the EU and about \$11 billion for Canada.

Public policy lawyer Steven Shrybman condemns the secrecy behind this latest deal in Ottawa's brisk investment deals that also include talks with China and Japan, along with broader agreements with the U.S. under the umbrella of North American Perimeter talks.

"The whole thing is just outrageous," he said. "What possible justification can they have for doing this to our citizens? It's tantamount to writing a new economic constitution for the country and Canadians are being

The Pennachetti report examines "municipal considerations" at risk to trade challenges, including:

- Toronto's "value-based procurement" that mandates that "certain construction projects hire and procure from priority neighbourhoods."
- Toronto's local food procurement policy to "reduce the greenhouse gas emissions associated with their operations and facilities, plus support for local farmers."
- The TTC policy that states that transit vehicles procured using any sources of provincial funding must be in accordance with provincial requirements.
- Strategic procurement that's used to help strengthen and expand Toronto, Ontario and Canada-based developed innovative services into the marketplace, helping create local jobs and expand the tax base to develop renewable energy that contains a local manufacturing content.

Trade disputes go to arbitration panels, not the courts. The report questions whether a challenge under the agreement would shut down all procurement on a construction project in Toronto.

De Baeremaeker says CETA invites European multi-nationals to ignore a city's attempts to impose local rules that are toothless.

For instance, he asks what would happen to a municipal ban on selling bottled water at city events if a challenge is successful.

Municipalities have no place at the bargaining table and must rely on the provinces.

The agreement goes beyond public procurement to include investment and services, intellectual property, sustainable development (labour and environment) and regulatory cooperation. It gives European companies a level playing field.

Osgoode professor Gus Van Harten, an expert in international investment law, says it's understandable why there is opposition to the accord. "This deal isn't an issue of left or right, particularly after the Caterpillar shutdown

Burlington. "That was a wake-up call. I know people in Burlington, very conservative people, and all the have jobs."

Van Harten believes it's vital Canadians understand that dispute settlement in trade disputes "trumps (are all-powerful . . . It's been my experience their interests lay on the side of the investor."

This is particularly worrisome, he says, because Canada doesn't have the best reputation for fighting t companies. Ottawa paid Abitibi-Bowater \$130 million rather than face a challenge under a NAFTA pan the company claimed they owned when they were expropriated by the Newfoundland government.

As a professor at the London School of Economics, he learned the motto for a business conflicts: "Whi

