

QUALITY PUBLIC SERVICES YOU CAN COUNT ON



Stop trade deals that limit local power



Canadians want their communities governed in the public interest. But increasingly, trade deals like the proposed Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union threaten municipal rights and powers in favour of the interests of large multinational corporations.

Under CETA, the European Union wants unrestricted access to provincial and local government purchasing for goods and services. If they get what they want, Canada's municipalities will be stripped of their power to implement 'buy local' policies and local economic development programs. These policies and programs support local businesses and create local jobs when they award contracts for goods, services or capital projects.

Canadians should pay close attention. The EU has a larger economy and larger population than the United States, and the Canadian government has said it wants a deal with the EU that is "more comprehensive" than even the North American Free Trade Agreement (NAFTA).

CETA is a particularly big deal for Canada's municipalities. Based on leaked copies of the draft text and statements by the parties, it's clear that Canada's municipal leaders have much to be concerned about. Unlike NAFTA, CETA will fully cover Canada's municipalities and provinces.

Here are just a few of the main items of concern in the proposed CETA:

Purchasing and procurement: The EU's top priority is unrestricted access to contracts and purchasing by Canada's provincial and local governments. The total government procurement market in Canada is worth at least \$100 billion per year. The EU wants to eliminate the ability of municipalities, school districts and other local authorities to establish 'buy local' or 'buy Canadian' policies. This would include banning measures that protect or promote local business opportunities and local jobs when municipalities contract for goods and services. Strategic purchasing strategies that promote local green jobs and local food policies may also be at risk.

Increased administrative costs: If the EU gains access to public procurement, municipalities may face increased costs associated with providing the federal government with information about their procurement activities. This includes publishing detailed notices and announcements of intended procurement, issuing tenders which comply with CETA procedures and justifying procurement decisions to unsuccessful suppliers.

Investor rights: Municipalities could also have their policies challenged by foreign investors seeking financial compensation in undemocratic trade tribunals. Canada and the EU are negotiating a dispute resolution system that will give large European corporations the right to sue Canadian governments for public policies that investors disagree with. These disputes about public policies are heard by unaccountable commercial arbitration panels, not the courts. For local governments, this provision threatens to put a chill on policy-making, since provincial governments will be subject to lawsuits from European corporations seeking compensation for municipal policies that they don't like.

Public water at risk: Although water services have been kept out of earlier trade deals, initial CETA proposals from Canada and the provinces do not protect drinking water and wastewater services. At the same time, the EU wants to exclude its water and wastewater services from the deal. CETA as proposed would lock in the small amount of water privatization that exists in Canada, and may encourage further commercialization of water and wastewater services in Canada. Trade rules will complicate water sector regulation and make bringing privatized water systems back into public hands prohibitively expensive.

Higher prescription drug costs: The EU wants major extensions to pharmaceutical drug patents, which experts predict will dramatically increase the price of drugs. A recent Canadian Generic Pharmaceutical Association report shows that the EU's intellectual property and patent extension demands will increase drug costs for Canadians by at least \$2.8 billion per year. Drug costs are already the second-highest cost for provincial health care systems. High drug costs are also a concern for all employers, including municipal governments. The last thing provincial and municipal budgets need is a further increase in pharmaceutical costs.

Canadian municipalities speak out

A growing number of municipalities, municipal associations and school boards across Canada have been raising concerns about CETA. Nearly 50 municipalities have passed resolutions calling for greater transparency or clear permanent exemptions from CETA. CETA is a significant potential threat to municipal rights and local democracy. Let's ensure our public services, municipal rights and local democracy are not traded away. For more information about CETA visit cupe.ca/ceta.

To see a leaked draft of the proposed CETA text, visit tradejustice.ca.

