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March 18, 2025

BY E-MAIL
chrystia.freeland@parl.gc.ca

The Honourable Chrystia Freeland, P.C., M.P.
Minister of Transport and Internal Trade
House of Commons
Ottawa, ON
K1A 0A6

Dear Minister:

On behalf of 750,000 members of the Canadian Union of Public Employees (CUPE), I am writing to bring to your attention CUPE's concerns about removing exceptions from the Canada Free Trade Agreement (CFTA) and pressure to expand mutual recognition in response to the calls to remove interprovincial trade barriers.

In terms of genuine barriers to interprovincial trade, the most common obstacles cited by Canadian businesses in 2023 were transportation costs and availability of transportation, pointing to the need for public investment in pan-Canadian transportation infrastructure. Several of the exceptions that the federal government removed in February 2025 have little to do with interprovincial trade but could impact the federal government's ability to invest in and regulate critical East-West infrastructure. We urge the federal government to continue to protect this policy space in legislation and international trade agreements.

The CFTA goes much further than standard trade agreements in terms of creating obligations for provinces to ensure that new legislation and regulations do not create barriers to interprovincial trade. Article 402 of the CFTA obligates provinces to notify other jurisdictions if their rules may affect trade and Article 403 obligates parties to enter into regulatory reconciliation agreements where a regulatory barrier is identified by another party to the agreement. This means that genuine trade irritants are automatically put on the agenda for discussion and reconciliation as they arise. We support this work to harmonize regulations to a common high standard across provinces. We encourage the Committee on Internal Trade (CIT) to consult with workers when these regulations affect us – for example in workplace safety standards.

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MARK HANCOCK

National President/Président national

CANDACE RENNICK

National Secretary-Treasurer/Secrétaire-trésorière nationale

PATRICK GLOUTNEY, FRED HAHN, SHERRY HILLIER, GINA MCKAY, KAREN RANALLETTA

General Vice-Presidents/Vice-présidences générales

Harmonizing standards through the process of mutual recognition has the potential to create a race to the bottom and threatens governments' right to regulate. Mutual recognition agreements put pressure on jurisdictions with higher standards to lower their standards so that their local businesses can compete on a level playing field. Cooperative efforts take longer but result in higher standards and more resilient policy. We need to protect the right for federal, provincial, and territorial governments to regulate, recognizing that there may be legitimate differences based on unique geographies, cultural concerns, or democratic mandates.

Canada must meet the serious threats we face to our economy and sovereignty from the United States with bold action and progressive, public solutions to protect jobs, public services, our communities, and our way of life. CUPE is calling on the federal government to use the power at its disposal to create good jobs and protect infrastructure and key sectors. This includes protecting all existing policy space to meet the challenges that face us.

Enclosed is CUPE's position paper outlining our position on interprovincial trade barriers in further detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MH' followed by a stylized flourish.

MARK HANCOCK
National President