

June 22, 2012

Honourable Dalton McGuinty
Premier of Ontario
Legislative Building, Queen's Park
Toronto, Ontario
M7A 1A1

Dear Premier McGuinty:

As the government of Canada enters the final negotiations for a Comprehensive Economic Trade Agreement (CETA) with the European Union, evidence continues to mount that this is a bad deal for Canada. From increased prescription drug costs to potential investor-state liabilities being passed to the provinces, there is increasing reason to approach the CETA with caution. The recent NAFTA tribunal decision, which awarded compensation to the Exxon Mobil and Murphy Oil corporations for a legitimate provincial research and development investment strategy, highlights the limits that investor-state provisions in international trade and investment treaties place on provincial government policy decisions.

The Canadian Union of Public Employees (CUPE) has consistently argued that investor-state provisions are a dangerous component of international trade agreements, with the potential to limit future public policy decisions and goals. Our union is also concerned that public services aren't being protected from CETA rules. Because of these concerns, CUPE commissioned a legal brief from trade lawyer, Steven Shrybman. His work adds four important elements to the current debate over CETA:

- 1) The EU's exemptions, or "reservations", protect significant areas of public policy and are far more thorough than any Canadian or provincial exemptions. These exemptions provide EU nations with more protection and a better deal than Canadians can expect.
- 2) By bringing provincial governments into the process, the federal government is significantly altering the constitutional division of powers between the national and sub-national governments in Canada with respect to natural resources and areas of government authority.
- 3) There are wide variations between the provincial lists of exemptions. Viewed as a whole, this disparate approach creates a patchwork of protected areas of government regulation and public policy, further fragmenting Canada's constitutional landscape.

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4) Finally, under the North American Free Trade Agreement's *Most-Favoured-Nation* provisions, any rights extended to European corporations and investors will automatically become the legal right of North American corporations – a dramatic and one-sided expansion of NAFTA for which there is no reciprocal Canadian provision.

I enclose Mr. Shrybman's brief for your review and analysis. Mr. Shrybman's findings call for significant re-think of the Canadian exemptions, raising them to an equal – and high – standard that protects public services and provincial powers, as well as reconsideration of a CETA that includes investor-state rights. Should you wish further detail, Mr. Shrybman is available to provide detailed briefings for you, or your trade officials.

In sharing this analysis with you and all Premiers and Territorial Leaders, CUPE hopes to engender greater public debate over what kind of Canada we collectively seek to create, and to highlight what is at stake in the current CETA negotiations that threaten our democratic authority.

Yours truly,

A handwritten signature in black ink that reads "Paul Moist". The signature is written in a cursive, flowing style.

PAUL MOIST
National President
Canadian Union of Public Employees

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Encl.

c.c. : Stephen Harper, Prime Minister of Canada