



October 6, 2011

## City Council Committee Report

**To:** Mayor Canfield & Members of Council

**From:** Lisa Oakes, Budget/Auditor General

**Re:** CETA Negotiations

### **Recommendation:**

**Whereas** the Government of Canada and the European Union have been negotiating a trade agreement known as the Comprehensive Economic and Trade Agreement (CETA); and

**Whereas** the Canada-European Union relationship holds great potential for growing Canada's trade and collective prosperity; and

**Whereas** the Council has been made aware that some members of our community have concern regarding the impact of CETA negotiations currently underway between Canada and the European Union; and

**Whereas** the City of Kenora supports the guiding principles as set out by the Federation of Canadian Municipalities (FCM) and endorsed by the Association of Municipalities of Ontario (AMO);

**Be it Resolved that** the City of Kenora requests the Federal Government and the Province of Ontario to continue to ensure that the municipal sectors' interests are represented in the ongoing negotiations; and

**That** the federal government's negotiations ensure that the FCM guiding principles will be fully reflected in any trade agreement reached between Canada and the European Union; and

**That** the federal and Ontario governments provide FCM and AMO with regular, detailed updates on the status of the European Union trade negotiations to the fullest extent possible; and further

**That** a copy of this resolution be forwarded to the Minister of International Trade; our local MPs, the Premier of Ontario, our local MPPs, the Ontario Minister responsible for Trade and Economic Development, FCM and AMO.

### **Background:**

A successful agreement with The European Union (EU) market could have important implications to economic development in Canada. AMO understands that while the Canadian government and the EU have been in discussions regarding a trade and economic deal since 2009, only recently have these

discussions yielded access to sub-national (provincial/territorial/municipal) procurement markets for Canadian and European firms as part of the final deal.

AMO understands that municipal governments and citizens groups across the province continue to be interested in the progress of the CETA discussions and the potential impacts on municipalities (interests that consider local autonomy, municipal property taxpayer value and the broader economic well-being of communities and Ontario – so that municipalities are safeguarded in any initiative).

As the CETA negotiations progress, AMO anticipates that we may have an opportunity with the Province and within the confidentiality of any national process between the federal government, provinces and territories to better understand what the potential impacts may be for municipalities before a final agreement is reached.

AMO will ensure Ontario municipalities are able to respond to the concerns about CETA and the municipal sector from interested residents. AMO will continue to work with The Federation of Canadian Municipalities (FCM) and the next provincial government to ensure the interests of Ontario municipalities are understood and addressed in the final agreement.

In the meantime, recognizing these developments and the concerns shared by citizens, some AMO members have passed resolutions which encourage the Province of Ontario and the federal government to continue to engage with FCM and AMO to address the interests of members. The resolution has been provided by AMO for members to consider and adopt should councils wish to take action on CETA.

It is recommended that Council take action and adopt the resolution as provided below by the Association of Municipalities of Ontario (AMO) regarding the news update, to ensure the interests of Ontario municipalities are understood and addressed in the final agreement with the Canada-European Union Comprehensive Economic & Trade Agreement (CETA).

**Budget:** N/A.

**Communication Plan/Notice By-law Requirements:**  
Resolution required.