

TAKE ACTION: TAKE COMMUNITIES OUT OF CETA!

ACTION: Secure a municipal or township resolution supporting local government exemption from CETA

TOOLS TO HELP:

- 7 simple steps to help take communities out of CETA!
- Sample resolution and list of background documents to print and share
- Sample presentation for municipal or township council
- Template press release

Change Trade not the Climate!

Free trade agreements have encouraged unlimited growth and trumped environmental laws, contributing to the pollution of our environment, higher CO2 emissions, and the exploitation and depletion of natural resources. This has led to a global food crisis, water scarcity and unjust and unsustainable climate change impacts. The Canada-European Comprehensive Economic and Trade Agreement (CETA) will contribute to these impacts by putting trade interests ahead of local community interests.¹

**SYSTEM
CHANGE ! NOT
CLIMATE
CHANGE**

CETA Threatens Environmental Policy and Protections

CETA is being negotiated as a “next-generation” free trade deal that goes beyond NAFTA and the WTO. Negotiations are ongoing, with predictions that a deal could be signed in early 2012. CETA does contain a so-called “sustainable development” chapter, but it’s unclear how much teeth it would have in relation to the strong protections for investors. CETA’s services, investment and procurement chapters would give European corporations new tools with which to challenge public policies and remove provincial or local development initiatives that prioritize good, green jobs and the transition to more sustainable, local economies.²

According to legal analysis by trade expert Steven Shrybman, CETA proposals have considerable potential to constrain government regulations that are needed to address the growing climate change crisis, including policies related to the impact of tar sands development.³ CETA will also give new tools to private water and other service firms hoping to open up Canada’s publicly-delivered municipal water services to privatization.

CETA and Communities: Undermining Local Economies and Sustainable Choices

Despite the lack of consultation with local governments, provincial and territorial governments made what they called a highly “ambitious” procurement offer to the EU during the eighth round of CETA negotiations in Brussels. This offer likely includes impacts for municipal governments despite the growing number of municipal councils calling for more information, or to be excluded from CETA entirely.

Several studies have come out on the impact CETA will have on local governments. These are based on leaked copies of the agreement available on the Trade Justice Network website (<http://tradejustice.ca>). These studies show how CETA will undermine the ability of municipalities, as well as school boards, hospitals, provincial agencies and Crown corporations, to promote community economic development –namely buy and hire local policies.

The stated goal of CETA’s procurement chapter is to save consumers – our municipal governments –money. But not every spending decision at the local level should come down to bottom line costs. There are economic, social and environmental benefits to buying and hiring locally. CETA would take the ability to make these decisions away from democratically elected municipal governments.

“Buy local” or “buy Canadian” is an environmentally sound action. Supporting your local economy helps cut down on emissions associated with global shipping. Buy local policies can also be used to promote sustainable choices. For example, municipalities can prioritize purchases that support sustainability such as buy local food policies. They can generate green jobs by requiring local, environmentally sound manufacturing, such as the local procurement requirements under Ontario’s Green Energy Act.⁴

Such policies can be handled in a completely transparent and non-discriminatory way. In fact, they are important tools used globally, including in parts of Europe, to create sustainable communities. It would be a mistake to sacrifice them forever in the CETA negotiations.

CASE STUDIES: Trade trumps environment

Canada was forced to pay out \$20 million to S.D. Myers, an Ohio-based corporation that disposes PCB waste, under NAFTA’s Chapter 11. Why? Because Canada banned the exports of PCB, a toxic substance, as part of an international treaty. Despite the fact that Canada was simply living up to its treaty obligations and making a safe choice for people and the environment, trade trumped all. S.D. Myers sued the Canadian government for infringing on its business opportunities and was awarded the substantial settlement by a NAFTA tribunal.

In a recent ruling, the WTO found that the U.S. government’s refusal to label Mexican tuna “dolphin-safe” is illegal. U.S. standards for catching tuna are stricter than Mexico’s, where large nets that can snag dolphins are sometimes used. Mexico claimed it was meeting international standards. The WTO decision sends a political message to governments wanting to use even mild voluntary labelling schemes that trade rules trump everything else.

Japan is taking Ontario’s Green Energy Act to a WTO dispute panel claiming that local content quotas, designed to transition Ontario’s manufacturing to “green” industries, contravene the WTO’s agreement on subsidies.

The WTO rules in favour of the complainant 90 per cent of the time and investor-state disputes increasingly are increasingly challenging non-discriminatory environmental, conservation and public health measures.

Here are 7 Simple Steps to Take Communities out of CETA!

- 1. Get Started:** Find out if there are Trade Justice Network (TJN) partners in your community and consider approaching them to collaborate on this action. You can find TJN partners at: <http://tradejustice.ca/en/section/22>
- 2. Meet with a Councillor:** Find a local councillor(s) or mayor who you think might champion a call for a municipal exclusion from CETA. Try to meet with them before setting a time for a presentation to all of municipal council and, if possible, find out how much they know about CETA and get them on side.
- 3. Get on the Agenda:** Set up a presentation (called a “Delegation”): call the City Clerk and ask to be on the Agenda of Council. This usually needs to be done two weeks ahead. Give the Clerk a copy of the resolution and the important background documents included in this toolkit. The Clerk will make copies for Councillors to read. Try to give your presentation before January 2012 when it is predicted that a CETA deal could be signed.
- 4. Make your Case:** Use the sample municipal presentation prepared by the Northumberland, Ontario chapter of the Council of Canadians to give your presentation to Council. Make sure to bring some extra copies of the resources with you and make them available.
- 5. Spread the Message:** Use the template media release to announce the passage of the resolution, helping to raise public awareness of CETA and its risks.
- 6. Share your Efforts:** Be sure to stay in touch with Council of Canadians’ regional organizers with any updates. We are tracking CETA resolutions, so make sure yours is counted!
- 7. Inspire and Mentor:** Consider taking the same approach with local school boards or other public local agencies that stand to be negatively impacted by CETA. Talk with friends and family, neighbours, colleagues and local businesses about why CETA is a bad deal and what you’re doing to stop it.

Documents to share with municipal councils:

Municipalities, Progressive Purchasing Policies and the Canada-EU Comprehensive Economic and Trade Agreement (CETA), a briefing note from the Canadian Centre for Policy Alternatives: <http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2011/06/Municipalities%20and%20the%20CETA.pdf>

Municipalities and the Comprehensive Economic and Trade Agreement, a Trade and Economic Policy Update from the Centre for Civic Governance: <http://www.civicgovernance.ca/sites/default/files/publications/CETA%20Trade%20and%20Economic%20Policy%20Update%20Summer%202011.pdf>

A legal opinion of CETA’s procurement chapter by trade lawyer Steven Shrybman: http://www.civicgovernance.ca/files/uploads/FINAL-Shrybman_CETA_report.pdf

Making Waves out of Ripples, a defense of local preferences on government procurement by Brendan Reimer, Canadian Community Economic Development Network (CCEDNet): http://www.policyalternatives.ca/sites/default/files/uploads/publications/commentary/docs/FF_procurement_081810.pdf

Public Water for Sale: How Canada will Privatize our Public Water Systems: A report to provincial, territorial and municipal governments regarding the Canada-European Union Comprehensive Economic and Trade Agreement (December 2010): <http://canadians.org/trade/documents/CETA/water-report-1210.pdf>

There are more popular education resources available at www.canadians.org/ceta, including printable handbills, as well as at the Trade Justice Network website www.tradejustice.ca

Canada-EU CETA

Proposed Municipal Resolution

WHEREAS the Canadian government is close to concluding negotiations with the European Union (EU) on a Comprehensive Economic and Trade Agreement (CETA), with participation from provinces and territories; and

WHEREAS (*the Municipality*) recognizes the importance of trade to local, provincial/territorial and national economies but also the impact that trade agreements can have on the powers of local governments; and

WHEREAS in the CETA, Canada has exchanged an initial procurement offer with the EU (listing sub-federal entities that will be bound by the rules of the procurement chapter) that may include (*the Municipality*) and that would explicitly tie the (*the Municipality*) to the terms and conditions of an international trade agreement; and

WHEREAS the EU is insisting on full access to procurement by municipalities, school boards, universities, hospitals, utilities and other provincial agencies, which could significantly reduce the freedom of these

bodies to hire or source locally on public contracts, or to use public spending as a tool for economic development, environmental protection and support for local farmers and small businesses; and

WHEREAS procurement rules in the CETA combined with investment protections related to transit, water, electricity and other public services delivered locally may lock in privatization and make it prohibitively expensive to apply new regulations, to re-municipalize services, or create new municipal programs; and

WHEREAS (*the Municipality*) already has an open and fair procurement policy, and that it is not the international norm for municipal governments to be covered by procurement agreements such as the one proposed in the CETA; and taken before private trade tribunals that lack transparency and have the

authority to impose fines;

THEREFORE be it resolved that Council requests:

- that (*the Province/Territory*) issue a clear, permanent exemption for (*the Municipality*) from the Canada-EU CETA, and that it otherwise protect the powers of municipalities, hospitals, school boards, utilities, universities and other sub-federal agencies to use public procurement, services and investment as tools to create local jobs, protect the environment, and support local development; and that
- the (*Province/Territory*) disclose its initial procurement, services and investment offers to the EU, explain the impacts CETA would have on municipal governance, and give M.U.S.H sector entities the freedom to decide whether or not they will be bound by the procurement, investment and regulatory rules in the agreement; and that
- this resolution be sent to the Provincial/Territorial Municipal Association and the Federation of Canadian Municipalities, the (*Provincial/Territorial*) Hospital Association, the (*Provincial/Territorial*) University Association and the (*Provincial/Territorial*) School Board Association and any other relevant bodies for consideration and circulation.

Sample Municipal Presentation prepared by the Northumberland, Ontario chapter of the Council of Canadians

Good Evening (Mayor, Councillors, etc).

Thank you for giving me/us this opportunity to present information about an issue I/we believe is very important.

I/We am/are here to talk about CETA, the Comprehensive Economic and Trade Agreement, which is being negotiated between Canada's federal *and* provincial governments and the European Union.

I/We believe it is in the city/county/town's interest to seek more information and input from the provincial government into the status of the negotiations, as well as to request an exclusion of municipal governments from this agreement as per the resolution which has been distributed to you.

It is all the more crucial that municipalities across Canada do this since CETA negotiations are moving quickly, and initial offers on procurement were exchanged during the eighth round of CETA talks in Brussels this July.

I/We am/are concerned with the lack of information that has been provided to Canadians about this trade agreement. Our assessment of CETA is based on leaked copies of the draft negotiating texts, and non-governmental studies of how the deal will affect numerous Canadian sectors, including local governments.

CETA is a complex and very large free trade agreement.

It covers ALL aspects of trade and economic development.

It will have significant implications for municipalities and for municipal governance.

For the first time, Provinces are at the table and have signalled in advance their willingness to be bound by the final deal.

Three issues in CETA break new ground:

- a) *Subnational procurement commitments: public contracts for goods, services and construction by local governments*
- b) *Municipal Services: such as wastewater treatment, energy and transit may be covered in the services and investment chapter*
- c) *Local domestic regulation*

The European Union has made specific requests for full access to all levels of public procurement in municipalities across Canada, including core municipal services, such as public transit, water services and wastewater treatment.

The leaked CETA documents explicitly propose that local economic development considerations be excluded as factors in procurement decisions.

Additionally, Under CETA, EU corporations would have preferential bidding rights on municipal procurement contracts of goods and services. For example, CETA's procurement chapter and dispute settlement process will give these firms tools to impede and potentially seek damages for, or overturn local procurement decisions. Far from making public contracts more transparent and fairer, CETA could simply prolong the contracting process and lead to unnecessary headaches for local governments.

Given the conditions and responsibilities that will affect municipal governance, it is very concerning that mayors and municipal councillors are not part of the negotiations.

The federal and provincial governments have not presented an assessment of the impact CETA will have on local governance. They have not offered any meaningful assessment of what municipalities might gain from abandoning their procurement rights.

While I/we am/are critical of the procurement chapter in CETA, I/we am/are by no means opposed to open, fair and transparent procurement processes.

We believe it is important that this CETA agreement be addressed openly and that there is a full public discussion about it and its implications. Municipalities need to hear what the provinces and federal government hope to achieve through the CETA negotiations and what the trade-offs are.

We are here to encourage you to learn more about CETA and to ask questions of the [PROVINCIAL GOVERNMENT].

Municipalities across Canada have expressed their opposition to CETA. Many are seeking more information from the Federation of Canadian Municipalities, which passed a resolution in Sept 2010 calling on the federal government to respect municipal autonomy in trade negotiations with the European Union.

The Union of British Columbia Municipalities, Drayton Valley AB, Lashburn SK, and Lunenburg NS, Baie-Comeau, Quebec as well as the towns of New Tecumseth and Bradford ON have passed resolution similar to the one you will consider today.

We are asking that you give this your consideration and pass the resolution before you. We feel it is not only right that municipalities have a bigger say in the CETA negotiations, it should be mandatory when municipal governments are increasingly important to the Canadian economy, the delivery of services, and the quality of life for people in our communities.

Again, we are happy to offer you more information and assistance as you consider this resolution.

Thank you.

Template Media Release

MEDIA RELEASE

For Immediate Release

[ADD DATE]

[YOUR CITY/TOWN] passes resolution to take communities out of Canada-EU trade deal

[YOUR CITY/TOWN] – The [MUNICIPAL/TOWNSHIP COUNCIL] voted in favour of a resolution asking the provincial government to exclude [YOUR CITY/TOWN] from the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) in order to protect local spending powers, job-creation strategies and programs which are threatened under proposed procurement and other rules in the trade deal.

“QUOTE FROM LOCAL ACTIVIST, for example: We want more local jobs and greater use of local goods and food, CETA threatens this,” says [NAME and AFFILIATION, IF APPROPRIATE]

[YOUR CITY/TOWN] joins a growing number of municipalities across Canada that have passed similar resolutions. Several studies based on leaked copies of the agreement, show how CETA will undermine the ability of municipalities, as well as school boards, hospitals, provincial agencies and Crown corporations, to promote community economic development through local content or hiring quotas, or sustainability considerations on public spending.

The Council of Canadians believes that not every spending decision at the local level should come down to bottom line costs. There are economic, social and environmental benefits to buying and hiring locally. CETA would take the ability to make these decisions away from democratically elected municipal governments. The EU’s challenge to the Ontario Green Energy Act at the World Trade Organizations shows how it will use trade and procurement agreements to undermine job creation strategies.

“QUOTE FROM LOCAL ACTIVIST, for example: There is little transparency around these talks, it is in our communities’ interests to ensure that future local policy options aren’t open to challenge by large corporations,” says [NAME and AFFILIATION, IF APPROPRIATE].

The Council of Canadians is a grassroots social justice organization which has been working with local councillors and other community organizations to encourage municipalities to seek exclusion from any procurement commitments. The Council is one of a growing number of Canadian and European civil society groups contesting the Canada-EU trade negotiations on the grounds they are taking place with minimal transparency, and that the agreement threatens Canada’s food sovereignty, environmental policy, and public health care through increased drug costs.

The [YOUR CITY/TOWN] resolution was brought forward by councillor[s] [INCLUDE NAME(S)].

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For more information:

[ADD CONTACT INFORMATION – NAME, PHONE NUMBER, EMAIL ADDRESS]

Endnotes

- 1 Ceta, Trade and Environment, Trade Justice Network, <<http://tradejustice.ca/en/section/19>>
- 2 Overview, Trade Justice Network, <<http://tradejustice.ca/en/section/2>>
- 3 Steven Shrybman, *Potential Impacts of the Proposed Canada-European Union Comprehensive Economic and Trade Agreement (CETA) on the Pace and Character of Oil Sands Development*, Legal Opinion, <<http://canadians.org/trade/documents/CETA/legal-opinion-CETA-tarsands.pdf>>
- 4 *Municipalities and the Comprehensive Economic and Trade Agreement (CETA) Trade and Economic Policy Update*, Centre for Civic Governance, Columbia Institute, (Summer 2011) <<http://www.civicgovernance.ca/sites/default/files/publications/CETA%20Trade%20and%20Economic%20Policy%20Update%20Summer%202011.pdf>>

TEXT BOX - CASE STUDIES: Trade trumps environment

- 1st paragraph: Scott Sinclair, *NAFTA Chapter 11 Investor-State Disputes (to January 1, 2008)*, Canadian Centre for Policy Alternatives, <http://www.policyalternatives.ca/sites/default/files/uploads/publications/National_Office_Pubs/2008/NAFTA_Dispute_Table.pdf>
- 2nd paragraph: Jean Guerrero, *WTO Sides With Mexico in Tuna Battle with U.S.*, The Wall Street Journal (July 20, 2011), <http://online.wsj.com/article/SB10001424052702304567604576456731722562702.html?mod=googlenews_wsj>
- 3rd paragraph: Richard Blackwell, *EU Targets Ontario's Green Energy Subsidies in WTO Complaint*, Globe and Mail (August 11, 2011) <<http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/eu-targets-ontarios-green-energy-subsidies-in-wto-complaint/article2127164/>>
- 4th paragraph: Public Citizen, *Fatally Flawed WTO Dispute System*, November 8, 2011, <<http://www.citizen.org/documents/WTODisputesSummaryOnePagerwtables.pdf>>

SYSTEM CHANGE ! NOT CLIMATE CHANGE

THE COUNCIL OF CANADIANS  LE CONSEIL DES CANADIENS

ACTING FOR SOCIAL JUSTICE / AGIR POUR LA JUSTICE SOCIALE

For more information visit: www.systemchange.ca or www.canadians.org/ceta

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