



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

THE TRANS-PACIFIC PARTNERSHIP AGREEMENT: BENEFITS AND CHALLENGES FOR CANADIANS

Report of the Standing Committee on International Trade

**Hon. Mark Eyking
Chair**

APRIL 2017

42nd PARLIAMENT, 1st SESSION

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THE STANDING COMMITTEE ON INTERNATIONAL TRADE

has the honour to present its

SIXTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has held its Trans-Pacific Partnership Agreement (TPP) Public Consultation and has agreed to report the following:

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THE TRANS-PACIFIC PARTNERSHIP AGREEMENT: BENEFITS AND CHALLENGES FOR CANADIANS

INTRODUCTION

In response to the lack of progress in reaching a new multilateral trade agreement at the World Trade Organization (WTO), a number of countries – including Canada – are pursuing bilateral and regional trade liberalization agreements. Of these agreements, few have received as much attention as the [Trans-Pacific Partnership Agreement](#), which is commonly known as the TPP.

On 4 October 2015, ministers representing the 12 TPP countries¹ – including Canada – announced the conclusion of their negotiations, and the TPP was officially signed on 4 February 2016. It contains more than 6,000 pages of text in addition to side letters.² Along with the Canada–European Union (EU) Comprehensive Economic and Trade Agreement (CETA), the TPP is among the most high-profile free trade agreements (FTAs) negotiated by Canada since the [North American Free Trade Agreement](#) (NAFTA). The TPP countries represent approximately 40% of the global economy and 25% of the value of global trade.³

The Government of Canada and some organizations have described the TPP as a “21st century trade agreement” because it addresses traditional issues, such as tariff reductions and government procurement, and other issues, such as development, customs administration, electronic commerce, state-owned enterprises, regulatory coherence and trade facilitation. It also includes measures to help small- and medium-sized enterprises (SMEs) benefit from the TPP.⁴

Not all Asia-Pacific countries are part of the TPP; most notably, China is not a TPP country, but it could become one in the future. Some observers have suggested that the TPP would provide a way for signatory countries, particularly the United States, to offset China’s economic and political power in the Asia-Pacific region.⁵ In his weekly address to the nation on 10 October 2015, President Obama commented that, “[without

1 When the House of Commons Standing Committee on International Trade was undertaking its study on the TPP, the United States had not yet withdrawn from the TPP. Consequently, unless otherwise noted, the data and other information in this report assume that the United States is a TPP country.

2 The purpose of a side letter is to clarify bilateral matters between countries that do not affect the rights and obligations of the other TPP countries.

3 Department of Foreign Affairs and Trade of Australia, [TPP outcomes at a glance](#), 18 July 2016.

4 For example, see: Global Affairs Canada, [Economic Impact of Canada’s Potential Participation in the Trans-Pacific Partnership Agreement](#), 12 September 2016. Also see: Dentons, [The Trans-Pacific Partnership \(TPP\) Agreement: A 21st century trade agreement with major advantages for Pacific Rim businesses](#), 7 October 2015.

5 For example, see: Brock R. Williams et al., [The Trans-Pacific Partnership: Strategic Implications](#), U.S. Congressional Research Service, 3 February 2016. Also see European Parliament, [Trans-Pacific Partnership: geopolitical implications for EU-US relations](#), 2016.

the TPP], competitors that don't share our values, like China, will write the rules of the global economy.”⁶

Although Canada's decision to join the TPP negotiations in 2012 did not receive extensive media attention and was not the topic of considerable public debate, TPP supporters and critics have since increased their efforts to inform the Government and the public about their positions. Furthermore, like Canada's 2015 federal election campaign, the TPP was a frequent topic of conversation during the recent U.S. election.

Following the U.S. November 2016 election, the new U.S. President directed the U.S. Trade Representative to withdraw the United States as a signatory to the TPP.⁷ Even though the TPP cannot enter into force without the United States, the Government is nonetheless faced with a decision about ratification of the TPP and future actions in relation to advancing Canada's trade interests in the Asia-Pacific region.

On 16 February 2016, the House of Commons Standing Committee on International Trade (hereinafter “the Committee”) decided to undertake a study on the TPP. The primary objective of the Committee's public consultation process was to assess the extent to which ratification of the TPP would be in the best interests of Canadians.

As part of its study, from February 2016 to February 2017, the Committee held public hearings in Calgary (Alberta), Charlottetown (Prince Edward Island), Québec (Quebec), Halifax (Nova Scotia), Montréal (Quebec), Ottawa (Ontario), Saint John (New Brunswick), Saskatoon (Saskatchewan), St. John's (Newfoundland and Labrador), Toronto (Ontario), Vancouver (British Columbia), Windsor (Ontario) and Winnipeg (Manitoba). In the course of these hearings, the Committee heard from 312 invited witnesses representing businesses and business associations, unions, SMEs, multinational corporations, civil society and academics, among others.

In selected cities,⁸ in addition to receiving testimony from invited witnesses, the Committee provided members of the public with an opportunity to present their views on the TPP to the Committee during “open mic” sessions. During these sessions, 103 individuals spoke to the Committee, expressing concern about various issues related to the TPP.

In addition to public hearings, the Committee invited individuals and organizations to provide written submissions expressing their views on the TPP. Between 10 March 2016 and 27 January 2017, the Committee received 199 briefs, as well as close to 50,000 emails and letters. Most of the emails and letters were sent as part of campaigns from organizations such as OpenMedia, the Council of Canadians and Leadnow.

6 Barack Obama, “[Weekly Address: Writing the Rules for a Global Economy](#),” The White House – Office of the Press Secretary, 10 October 2015.

7 The White House, [Presidential Memorandum Regarding Withdrawal of the United States from the Trans-Pacific Partnership Negotiations and Agreement](#), 23 January 2017.

8 Charlottetown (Prince Edward Island), Québec (Quebec), Halifax (Nova Scotia), Montréal (Quebec), Saint John (New Brunswick), St. John's (Newfoundland and Labrador), Toronto (Ontario) and Windsor (Ontario).

As well, four members of the House of Commons organized town hall meetings on the TPP and provided the Committee with letters that summarized their meetings.

This report presents the Committee's findings about the TPP. It provides background information on the issues relating to the study, summarizes the evidence presented to the Committee and makes recommendations to the Government. In particular, the report addresses six major themes: the federal consultations that occurred before, during and after the TPP negotiations; trade in goods; trade in services; temporary entry for business persons; investment protection; and intellectual property (IP) rights.

BACKGROUND

What is today known as the TPP was initially established in 2006 with the entry into force of the [Trans-Pacific Strategic Economic Partnership Agreement](#), which was negotiated by four countries: Brunei Darussalam; Chile; New Zealand; and Singapore. It included a clause encouraging other countries to join the TPP. Over the 2006 to 2013 period, eight countries joined the initial four countries to negotiate the TPP agreement that was signed on 4 February 2016: the United States, Australia, Peru and Vietnam in 2008; Malaysia in 2010; Canada and Mexico in 2012; and Japan in 2013.

The following sections provide information on Canada's trade and investment relationship with the TPP countries, as well as the process required for the TPP to enter into force.

Canada's Trade and Investment Relationship with Trans-Pacific Partnership Countries

Among the 12 TPP countries, Canada already has FTAs with Chile, Mexico, Peru and the United States. NAFTA, to which Mexico and the United States are signatories, came into effect on 1 January 1994. Canada's FTAs with Chile and Peru entered into force on 5 July 1997 and 1 August 2009 respectively.

Canada and Australia grant each other preferential tariff rates on a range of products agreed under the [Trade Agreement between the Government of Canada and the Government of the Commonwealth of Australia](#), which entered into force in 1960 and was updated in 1973. Similarly, Canada and New Zealand grant each other preferential tariff rates on a range of products in accordance with the [Agreement on Trade and Economic Co-operation between the Government of Canada and the Government of New Zealand](#), which entered into force in 1982.

From 2002 to 2007, eight rounds of FTA negotiations were held between Canada and Singapore; however, by mutual agreement, negotiations have been suspended since November 2009. Canada and Japan have been negotiating an economic partnership agreement⁹ since 2012.

9 The term "economic partnership agreement" reflects terminology normally used in Japan for what is usually called an FTA in Canada.

In accordance with Article 30.4 of the TPP, accession is open to any country that is prepared to comply with the agreement's obligations. A number of countries have expressed interest in joining the TPP, including South Korea, Thailand, the Philippines and Indonesia.¹⁰ Decisions on accession are reached by consensus among existing signatory countries.

Table 1 provides data on population and selected economic indicators for the 12 TPP countries.

10 For example, see: Joshua P. Meltzer, "[Why China should join the Trans-Pacific Partnership](#)," *Brookings Institution*, 21 September 2015. Also see: Prashanth Parameswaran, "[Indonesia Wants to Join TPP: President Jokowi](#)," *The Diplomat*, 27 October 2015.

Table 1 – Population and Selected Economic Indicators for Trans-Pacific Partnership Countries, Various Years and Time Periods

Country	Population (2015)	GDP in \$US at PPP (2015)	GDP as a Share of Total GDP of TPP Countries at PPP (2015)	Average Annual Growth Rate of Real GDP in National Currency (2012–2015)	Projected Average Annual Growth Rate of Real GDP in National Currency (2016–2019)
Australia	23.8 million	1.1 trillion	3.6%	2.4%	2.8%
Brunei Darussalam	423,200	33.2 billion	0.1%	-1.7%	4.9%
Canada	35.9 million	1.6 trillion	5.2%	1.9%	1.9%
Chile	17.9 million	401.5 billion	1.3%	2.7%	2.6%
Japan	127.0 million	4.7 trillion	15.5%	0.6%	0.6%
Malaysia	30.3 million	817.4 billion	2.7%	5.2%	4.7%
Mexico	127.0 million	2.2 trillion	7.2%	2.0%	2.6%
New Zealand	4.6 million	170.0 billion	0.6%	3.2%	2.6%
Peru	31.4 million	393.1 billion	1.3%	3.8%	3.7%
Singapore	5.5 million	472.6 billion	1.6%	3.3%	1.7%
United States	321.4 million	18.0 trillion	59.2%	2.2%	2.1%
Vietnam	91.7 million	553.4 billion	1.8%	6.0%	6.2%

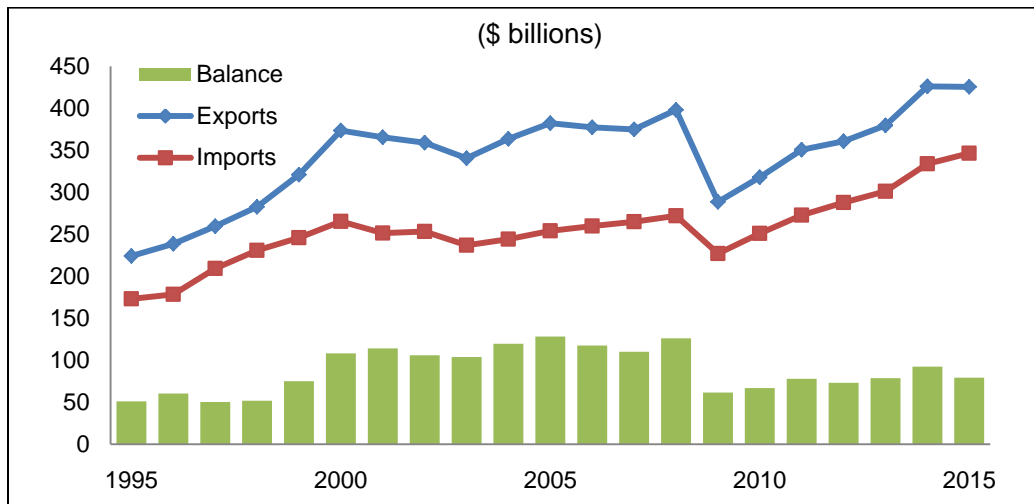
Notes: “TPP” is the Trans-Pacific Partnership. “GDP” is gross domestic product. “PPP” is purchasing power parity. To adjust for price differences across countries for identical products, a calculation of GDP that uses PPP assumes that a given product has the same price in each country.

Sources: Average annual growth rates of real GDP in national currency (2012–2015) and projected average annual growth rates of real GDP in national currency (2016–2019) have been calculated from World Bank and International Monetary Fund data, respectively. All other data are from the World Bank. Data have been rounded.

In 2015, Canada’s merchandise trade with the other TPP countries totalled \$771.9 billion, comprising \$425.5 billion in Canadian exports to, and \$346.4 billion in imports from, those countries. Figure 1 shows the value of Canada’s merchandise trade and the merchandise trade balance with the other TPP countries from 1995 to 2015.¹¹

11 With the exception of Table 1, all data in this section are from Statistics Canada. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Figure 1 – Value of Canada’s Merchandise Trade and the Merchandise Trade Balance with the Other Trans-Pacific Partnership Countries, 1995–2015

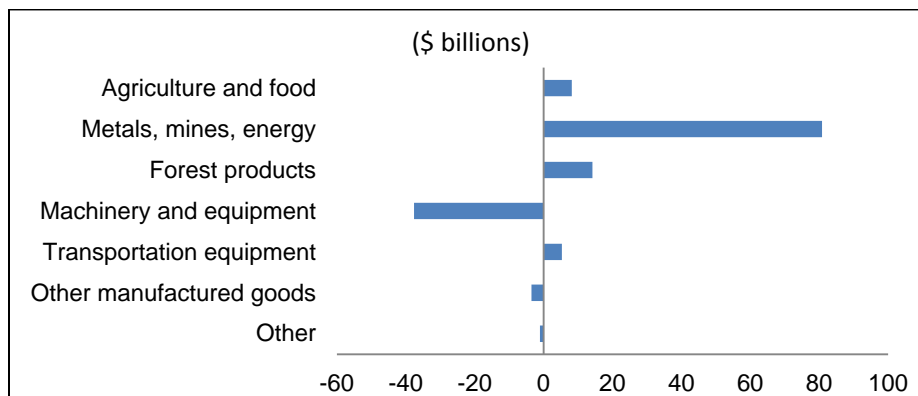


Source: Figure prepared based on Statistics Canada data.

The United States is by far Canada’s largest trade partner within the TPP. In 2015, 94.5% of the value of Canadian merchandise exports to TPP countries was destined for the United States. Similarly, 82.3% of the value of Canadian merchandise imports from TPP countries originated from the United States in that year.

Canada’s highest-valued merchandise exports to the other TPP countries in 2015 were crude oil and motor vehicles, together accounting for 28.0% of the total value of Canadian exports to the TPP countries. In that year, the highest-valued merchandise imports into Canada from those countries were motor vehicles and motor vehicle parts, together representing 13.6% of the total value of Canadian imports from TPP countries. Figure 2 shows Canada’s trade balance with the other TPP countries, by category, for 2015.

Figure 2 – Trade Balance between Canada and the Other Trans-Pacific Partnership Countries, by Category, 2015



Source: Figure prepared based on Statistics Canada data.

In 2015, Canada had a merchandise trade surplus with the other TPP countries in the following product categories: agriculture and food; metals, mines and energy; forest products; and transportation equipment. It had a trade deficit with those countries in all other product categories in that year.

In 2014,¹² trade in services between Canada and the other TPP countries totalled \$134.0 billion; services exports to those countries were valued at \$58.8 billion, while services imports from them represented \$75.2 billion. In that year, the United States accounted for 89.6% of the value of Canadian services exports to, and 89.3% of services imports from, the other TPP countries.

The stock of direct investment in Canada that came from the other TPP countries totalled \$420.8 billion in 2015; of this amount, \$387.7 billion was from the United States. The stock of Canadian direct investment in TPP countries was valued at \$527.0 billion in that year, of which \$448.5 billion was in the United States.

Process for Entry Into Force of the Trans-Pacific Partnership

A country's signature of an international treaty indicates its agreement in principle with the terms of the treaty and the intention to become bound by it. That said, signatory countries are not officially bound by a treaty until it has been ratified. Before the TPP can enter into force, one of the following scenarios will need to occur:

- The TPP will enter into force 60 days after the date on which all original signatory countries have ratified it.
- In the event that not all original signatory countries ratify the TPP within two years from the date on which it was signed, the TPP can enter into force 60 days after the expiration of this period if at least six of the original signatory countries that together account for at least 85% of the 2013 value of the combined gross domestic product (GDP) of the original signatory countries have ratified it.
- If the agreement does not enter into force in accordance with one of the two scenarios above, the TPP can enter into force 60 days after the date on which at least six of the original signatory countries that together account for at least 85% of the 2013 value of the combined GDP of the original signatory countries have ratified it.

For the TPP to enter into force under any of these three scenarios, both the United States and Japan would have to ratify the TPP. With the recent decision by the United States to withdraw their signature from the TPP, the 11 other TPP countries could negotiate their own FTA, perhaps based on the text of the TPP.

12 The most recent year for which services trade data are available is 2014.

The Government of Canada cannot ratify an international treaty, such as the TPP, until measures are in place to ensure that the terms of the treaty are enforceable in Canadian law. Before the Government ratifies the TPP, an implementation bill would have to be enacted by Parliament and come into force in order for the terms of the treaty to be implemented in Canada. When the bill receives Royal Assent, Cabinet would prepare an order in council authorizing a minister to sign an instrument of ratification. Once this instrument is deposited with the appropriate authority, the treaty is officially ratified and Canada is bound by the treaty when it comes into force; in the case of the TPP, New Zealand is the appropriate authority.

GOVERNMENT CONSULTATIONS

According to documents provided to the Committee by Global Affairs Canada,¹³ between 1 January 2012 and 19 October 2015, the Government consulted the provinces and territories, businesses, academia, civil society, think tanks and unions. These documents also indicate that, over this period, the Government engaged in a total of 2,457 interactions on the TPP with 424 stakeholders, and received 1,094 written or electronic submissions on the TPP, including 314 from the public.

Global Affairs Canada also provided the Committee with documents suggesting that, between 19 October 2015 and 31 January 2017, the Government met with the provinces and territories, businesses, academia, civil society, think tanks, municipalities, Indigenous groups and unions. These documents also indicate that, during this period, the Government had a total of 778 interactions on the TPP with 576 stakeholders, and received 41,084 written or electronic submissions, including 40,917 from the public.

Consultations Prior to the Conclusion of the Trans-Pacific Partnership Negotiations

With some exceptions, witnesses representing businesses told the Committee that the Government had consulted them prior to the conclusion of TPP negotiations. [Canadian Manufacturers & Exporters](#) said that it felt “fairly well consulted throughout the process.” Similarly, the [Canadian Chamber of Commerce](#) indicated that it had “a good deal of dialogue” with the Government, although it acknowledged that – from its perspective – there could have been more consultation.

Witnesses representing Canada’s agricultural producers described an extensive consultation process by the Government. The [Canadian Cattlemen’s Association](#) stated that “[t]he government is willing, and in fact eager, to consult with people who have views, who can make these agreements better.” [Chicken Farmers of Canada](#) indicated that they were “intimately involved with the consultations,” and had “ongoing discussions with the negotiators.” Furthermore, the [Canadian Vintners Association](#) mentioned that its participation in the consultation process included conference calls with the chief negotiator

13 Until the [Department of Foreign Affairs, Trade and Development Act](#) is amended, the department’s legal title is “Department of Foreign Affairs, Trade and Development.” That said, the applied title currently used when referring to this department – Global Affairs Canada – is used in this report.

at least every two months, as well as participation by federal officials at meetings of its board of directors.

That said, some witnesses representing businesses indicated that they would have preferred either more effective or more extensive consultation by the Government. [Ford Motor Company of Canada Limited](#) informed the Committee that “there was absolutely plenty of consultation that went on. We felt that our voice was at least being heard ... [but it] wasn't listened to [in the final analysis].” In addition, the [Canadian Federation of Independent Business](#) observed that “we were probably not consulted as much as [we] would have liked.”

In a brief submitted to the Committee, the [Canadian Steel Producers Association](#) suggested that the Government's consultation process might not have been as sincere as it should have been. It claimed that certain TPP provisions that it found concerning were “at least the partial result of the [Government's] failure to convene a sincere dialogue with affected industries prior to the agreement's conclusion.”

The [Automotive Parts Manufacturers' Association](#) described the influential role that the United States played in negotiating the TPP's provisions that would affect Canadian auto part manufacturers, specifically obligations in relation to automotive rules of origin, safeguard measures and snap backs. It told the Committee that “[t]herein lies the problem with the TPP for Canada's auto parts manufacturing sector. No one in a position of authority invested in industry consultation before being dealt a terrible hand by major trading partners that did not have Canadian interests at heart when they negotiated [provisions] in our absence.”

However, [Global Affairs Canada](#) provided a different perspective, and said: “[W]e were in heavy consultation with the auto parts industry, its association and individual companies as well. When we worked to the outcome that we have, which [we] recognize is not seen as what everybody would have wanted, we took very much into account the priorities of those parts manufacturers, the parts that they do manufacture and where they think their priorities lie.”

A brief submitted to the Committee by the [Service Employees' International Union-West](#) claimed that the Government ignored input from stakeholders that did not represent large businesses. According to it, “[d]uring TPP negotiations, a small representation of civil society, labour and small business were invited to advise at the negotiating rounds – yet judging from the TPP text, it is clear that while these groups may be invited to the table, it is only big business that is listened to.”

Some witnesses mentioned that they were unable to meet or consult with government officials to discuss the TPP. [Canada's Building Trades Unions](#) claimed that its requests to meet with the Government and the Minister of International Trade while the TPP was being negotiated “were always declined.”

In referring to Canada's TPP commitments regarding temporary entry of certain tradespeople from other TPP countries, the [International Union of Operating Engineers](#)

said that “the TPP will be the first time Canadian construction workers were ever included in a national trade agreement. Unfortunately, we were not given an opportunity to consult prior to the inclusion of construction workers. If we had, some of our concerns, like enforcement, might have been addressed at the time.” That said, [it](#) noted that it did not contact the Government, stating: “I know that we were asked why we didn't ask to reach out. We just assumed because labour was never included in past agreements, why would it be included in this agreement, and why would we even worry about it?”

[Global Affairs Canada](#) told the Committee that it is unaware of any occasion on which a member of the chief negotiator's team refused to meet, or to have a phone conversation, with interested stakeholders in order to discuss the TPP. However, [it](#) acknowledged that, in order to receive confidential information about ongoing negotiations, certain stakeholders had to sign confidentiality agreements. Some witnesses commented that they were uncomfortable with the practice of signing such agreements. [OpenMedia](#) said that it would not sign a non-disclosure agreement because it believes “that Canadians have a right to know about what we're discussing and what kind of negotiations we're having.”

As well, [Global Affairs Canada](#) said that, like all members of the public, labour groups were able to submit their views on the TPP through a process outlined in the *Canada Gazette*, and were invited to participate in “open public updates” provided by Government of Canada officials.

According to some witnesses, the Government did not consult Indigenous groups. Ryerson University's [Pamela Palmater](#), who appeared as an individual, informed the Committee that “First [N]ations have not been involved in any of the [consultation] process and they should have been involved because [the TPP] involves [Indigenous] lands, resources, people's intellectual property, and the environment, all things that protect [Indigenous] peoples.” [She](#) also claimed that this alleged lack of consultation violates Canada's Constitution. The [Union of British Columbia Indian Chiefs](#) agreed that the Government did not consult with Indigenous communities, and said that this lack of consultation contravenes the [United Nations' Declaration on the Rights of Indigenous Peoples](#).

Consultations Since the Conclusion of the Trans-Pacific Partnership Negotiations

In summarizing the results of ongoing Government consultations about the TPP that have occurred since November 2015, [Global Affairs Canada](#) stated: “[W]e have heard that the Canadian business community generally views the TPP as an important opportunity to diversify Canada's trade and expand access for Canadian exporters and investors in Asia-Pacific markets.” It also told the Committee that “[c]ivil society organizations and unions have raised concerns relating to the impact of TPP on Canadian jobs, the scope and application of the investor–state dispute settlement mechanism, and certain intellectual property provisions.”

Witnesses provided a variety of perspectives on the Government TPP consultations that have occurred since November 2015. Some claimed to have had multiple meetings or ongoing correspondence with government officials. The [Automotive Parts Manufacturers' Association](#) mentioned that it met with officials, and that there has been constant contact since that time.

The [Canadian Labour Congress](#) commented that, while it was not consulted prior to the announcement that the TPP countries had completed their negotiations, it had met with the Minister of International Trade on two occasions to discuss the TPP since that announcement and had “learned many things” during these meetings from Government of Canada officials who were involved in the negotiations.

Some witnesses provided suggestions regarding the ongoing Government of Canada consultations about the TPP. [Unifor](#) said: “We hope these consultations are meaningful and go beyond the back rooms and boardrooms and into local community centres and town halls.” According to a brief submitted to the Committee by the [United Steelworkers](#), “[r]eal consultation, in our view, means a full public review including a thorough and independent analysis of the TPP text and impact assessment by the Parliamentary Budget Officer and separate and meaningful consultations with trade unions, First Nations, and other civil society groups.”

Some witnesses doubted the usefulness of the ongoing Government consultations regarding the TPP. A brief submitted to the Committee by the [National Union of Public and General Employees](#) commented that these consultations have been “very limited” and “only began after negotiations were complete and the agreement signed.” Similarly, the [K'at'l'odeeche First Nation](#) described the consultations as “very weak,” and said that the TPP “is almost impossible to change now.” That said, the [Assembly of First Nations](#) claimed that the TPP text “is not the final text,” and stated: “[W]e are calling for the immediate and full inclusion of [F]irst [N]ations governments in future negotiations on the implementation of the TPP.”

EXPECTED IMPACTS OF THE TRANS-PACIFIC PARTNERSHIP ON CANADA

Witnesses provided the Committee with a variety of perspectives on the overall expected impact of the TPP on Canada. Some believed that it would increase Canada's economic growth rate, and create jobs by providing certain Canadian businesses with improved and new access to export markets. However, others felt that ratifying the TPP would not expand the country's economy to the extent claimed by some TPP proponents, would lead to job losses, would raise economic inequality in Canada, would increase corporate influence on Canadian public policy, and/or would potentially weaken human rights protections in Canada and abroad.

Expected Overall Benefits for Canada of the Trans-Pacific Partnership

[His Excellency Tony Negus](#), who is High Commissioner of the Commonwealth of Australia to Canada, told the Committee that the TPP would be the largest FTA concluded anywhere in the world in more than 20 years. He suggested that the TPP would “create more opportunities for business and lower prices for consumers.”

In describing the new market access opportunities for Canadian exporters that would result from implementation of the TPP, some witnesses noted the size of the market that would be created by aggregating the TPP countries. For example, in a brief submitted to the Committee, the [BC Chamber of Commerce](#) stated the following:

A significant benefit of the TPP is that it brings together 12 nations, including the U.S. and Japan, with a total population of 792 million people and a combined GDP of \$28.5 trillion. The current TPP participants represent nearly 40% of global GDP and approximately one-third of world trade. With economic numbers like these, Canada needs to be at the table.

Similarly, in a letter sent to the Committee, the Council of the Federation mentioned that the TPP “is an important opportunity to improve Canadian access to 40% of the global economy, contributing to job growth and other economic benefits.”

Numerous witnesses mentioned that the TPP’s tariff reductions would improve their ability to export to TPP countries. In addition, some said that the TPP would address non-tariff barriers to trade. The [Board of Trade of Metropolitan Montreal](#) observed that the TPP would “tackle, more than previous agreements, non-tariff barriers that impede our businesses’ attempts to move to the international stage.” For example, it noted that the TPP would benefit the service sector by allowing business travellers to obtain visas more easily, and would facilitate temporary entry of professionals and technicians.

[Bombardier Inc.](#) cited numerous non-tariff trade issues that the TPP would address, including state-owned enterprises, regulatory coherence, intellectual property, electronic commerce and government procurement. It suggested that “the TPP negotiators have placed a significant emphasis on new and emerging trade challenges.”

Many witnesses representing Canadian businesses said that, among the TPP countries, the most significant market access opportunities for their sectors would be in Japan. In addition, the [Cross-Border Institute](#) mentioned that, “[w]hile Japan is now a slow-growing economy, it’s very large, and its potential for trade expansion with Canada is great.” According to it, the reductions in Japan’s import tariffs that would result from implementation of the TPP could reduce Canada’s trade deficit with that country.

A number of witnesses believed that the TPP would enable Canada to send a larger share of its exports to emerging economies. The [Business Council of Canada](#) indicated that emerging economies account for 80% of global economic growth but that 85% of Canada’s exports are destined for “slow-growing” advanced economies. [UPS Canada](#) said that there will be 2.7 billion middle-class consumers in Asia by 2030. It also mentioned that, “[a]s emerging market consumers enter the middle class, they become interested in purchasing the goods and services that Canada has to offer,

including energy and food products, as well as financial, business, and construction services.” According to the [Board of Trade of Metropolitan Montreal](#), the TPP would provide Canada with preferential access to “Vietnam and Malaysia, two major world economic centres, which in 2016 showed growth of 6.3% and 4.4% respectively, as well as Singapore, a trade hub that holds a great deal of potential for the service sector.”

Several witnesses said that, while not all countries in Asia are currently part of the TPP, the number of TPP countries could grow in the future. In identifying Indonesia as a market with a population of 255 million people, the [Cross-Border Institute](#) suggested that, if that country were to join the TPP, Canada could obtain preferential access to the Indonesian market more easily as part of the TPP than would be the case if a bilateral FTA had to be negotiated. Similarly, the [Saskatchewan Trade and Export Partnership](#) claimed that a failure by Canada to ratify the TPP could result in a lost opportunity to obtain preferential market access to countries that might accede to the TPP in the future, such as China, India and Indonesia.

Some witnesses also suggested that preferential access to the markets of the TPP countries would make Canada an appealing location for business investment. For example, the [Business Council of Canada](#) told the Committee that, with ratification of both the TPP and the Canada–EU CETA, Canada would be “the only G7 nation with free trade access to the United States, the Americas, Europe, and the Asia-Pacific region, including three of the world’s four largest economies. This wide-reaching trade agreement network would position Canada as a global export platform, attracting investment and jobs to communities across the country.”

In addition to describing the significance of the TPP’s preferential market access opportunities and its potential to create new business investment in Canada, [Scotiabank](#) claimed that free trade increases the competitive pressure on Canadian businesses, leading to two factors that it characterized as critical to the long-term health of the Canadian economy and to a rising living standard for Canadians: innovation; and productivity growth. That said, the Institute for New Economic Thinking’s [Jim Balsillie](#), who appeared as an individual, did not believe that the TPP would help to make Canada more innovative, and said: “I guarantee you there will never be another Canadian [technology] company like RIM under the framework of TPP.”

Some witnesses commented that, if the TPP were to enter into force without ratification by Canada, Canadian exporters would be at a disadvantage when compared to businesses in the other TPP countries because only the latter would have preferential access to the markets in the TPP countries. The [Greater Saskatoon Chamber of Commerce](#) said: “Should Canada choose to extricate itself from this agreement, we find ourselves in a position where it will be, over a period of time, more difficult for us to even access ... traditional markets, let alone expand the opportunities and the productive capacity of this amazing region.” The [Board of Trade of Metropolitan Montreal](#) told the Committee that, “[i]f the U.S. has a competitive advantage ... and we have no such advantage, we are affected, as in the case of South Korea when the U.S. signed an agreement with that country. We had no agreement in place [with South Korea] and lost huge market shares.”

Expected Overall Costs for Canada of the Trans-Pacific Partnership

Some of the Committee's witnesses doubted that the TPP would provide Canada with significant economic benefits. For example, the [Canadian Centre for Policy Alternatives](#) indicated that Canada currently has FTAs with four TPP countries, and that tariffs with the other seven TPP countries "are already very low." As well, [it](#) said: "We already have tariff free access for our exports. Currently 98% of them within the TPP region go to countries with whom we already have tariff-free access, either with a trade agreement, or in the case of Singapore they don't apply trade agreements. For everyone who's looked at it seriously, and there are a couple of outliers, they predict it will have a very small impact." Furthermore, the [Canadian Centre for Policy Alternatives](#) considered that, because tariffs on Canada's imports from TPP countries with which it does not yet have an FTA are higher than those on its exports, the TPP would likely increase Canada's trade deficit with those countries.

A number of witnesses commented that the TPP would lead to job losses in Canada or would reduce the wages of Canadian workers. For example, the [United Steelworkers](#) stated that the TPP would reduce the wages of Canadian workers "by putting them into competition with poorly paid foreign workers ... [working in Canada] and abroad." [Global Affairs Canada](#) provided the Committee with a different perspective, claiming that foreign professionals who would come to Canada as a result of TPP commitments "would have to be paid the prevailing wage in Canada, in that region, for a professional at that level of expertise and experience."

Moreover, some witnesses who opposed Canada's possible ratification of the TPP suggested that the TPP would increase inequality in Canada or would not benefit most Canadians. For example, a brief submitted to the Committee by the [Niagara Regional Labour Council](#) mentioned that "provisions contained within the TPP will lead to thousands of lost jobs, higher levels of unemployment, and stagnating wages, meaning that inequality will continue unabated." [Rosemary Pogue's](#) brief, which contained her comments as an individual, indicated that the TPP was "for the benefit of large corporations and very wealthy individuals. My opposition comes from the provisions that put profit over the wellbeing of most citizens."

In addition, many witnesses believed that the TPP would increase corporate influence on Canadian public policy. A brief submitted to the Committee by [Gerry Haustein](#), who made comments as an individual, suggested that "[t]he true purpose of the TPP is to give corporations more say and control over trade, environmental, copyright and other laws. You cannot give corporations more say and control without taking away those very things from ordinary people." However, [Global Affairs Canada](#) provided a different perspective in remarking that provisions in the TPP would reinforce the right of member countries to "regulate in the public interest."

A number of witnesses characterized the TPP as undemocratic. For example, the [United Food and Commercial Workers Union Canada](#) commented that the TPP would be an "affront" to democracy because its investor-state dispute-settlement (ISDS) provisions would allow corporations to sue democratically elected governments. Similarly, according

to an email to the Committee from Katherine Maas, in which she provides her comments as an individual, the TPP would “take power away from our democratically elected officials and put it in the hands of large corporations.”

Some witnesses said that the TPP could have implications for human rights. A brief submitted to the Committee by [Amnesty International](#) claimed that trade can “positively and negatively impact ... human rights protection.” While not endorsing or opposing Canada’s ratification of the TPP, it mentioned that the TPP could affect a wide range of human rights, including gender equality, the rights of Indigenous peoples, labour rights, and rights in relation to privacy, freedom of expression, health, food, clean water, safe sanitation and adequate housing.

A number of witnesses discussed the manner in which the TPP could affect the rights of Indigenous peoples. According to the [Assembly of First Nations](#), “many federal and provincial actions to recognize the rights of first nations may be deemed indirect expropriations to investors under the TPP,” and “[t]he ISDS provisions [of the TPP would] obligate Canada and investors to adjudicate the scope and content of first nations rights between each other.” It also said that the TPP would have “a dramatic effect on first nations self-determination, particularly self-government.”

Modelling the Economic Impacts for Canada of the Trans-Pacific Partnership

Some of the Committee’s witnesses highlighted the results of studies that have attempted to estimate the likely effects of the TPP on Canada’s economy. [Global Affairs Canada](#) mentioned an economic impact assessment of Canada’s potential participation in the TPP that it prepared and submitted to the Committee on 9 September 2016.¹⁴ It summarized the assessment’s results by stating that “the study projects a GDP growth of 0.127% if Canada is part of the TPP, which would generate gains of \$4.3 billion in the long term. If Canada were not to participate in the agreement, and the 11 other countries were to implement it, the study projects GDP losses of \$5.3 billion by 2040.”

According to a number of witnesses, the Government of Canada should not have signed the TPP prior to the completion of Global Affairs Canada’s economic impact assessment. In addition, some witnesses who appeared before the Committee prior to the release of that assessment mentioned the difficulties in predicting the likely benefits and risks of the Government’s possible ratification of the TPP without the information contained in that assessment.

Witnesses mentioned the results of various economic impact assessments of the TPP, which provide significantly different estimates of the economic gains and losses to Canada of ratifying the TPP. For example, the [Business Council of Canada](#) referred to a study released by the U.S.-based Peterson Institute for International Economics that suggested that the TPP would increase Canada’s national income by \$37 billion by 2030. The [Canadian Chamber of Commerce](#) commented that economic impact assessments

14 Global Affairs Canada, [Economic Impact of Canada’s Potential Participation in the Trans-Pacific Partnership Agreement](#), 2016.

have estimated the economic benefits for Canada of joining the TPP to be between \$5 billion and \$10 billion annually.

On the basis of an economic impact study that he co-authored for the C.D. Howe Institute, [Dan Ciuriak](#)'s brief to the Committee, which contained his comments as an individual, described more limited economic benefits for Canada if the TPP is implemented. According to him, the study estimated that the TPP would lead to a "modest" GDP gain for Canada of about 0.07% by 2035, which would generate household income gains of approximately \$3 billion.

The Committee also heard from two authors of a 2016 study that estimated the TPP's effects on economic indicators, such as GDP, employment and income inequality.¹⁵ The United Nations' [Alex Izurieta](#), who co-authored the study and appeared as an individual, said that the study projected that the TPP would "have virtually no effect on [Canadian] GDP growth," would lead to "the loss of approximately 60,000 [Canadian] jobs over 10 years," and would increase income inequality in Canada.

Tufts University's¹⁶ [Jeronim Capaldo](#), who is one of Mr. Izurieta's co-authors and also appeared as an individual, claimed that Global Affairs Canada's economic impact assessment made an assumption about the level of employment that would occur following the TPP's entry into force, instead of directly modelling the TPP's effects on Canadian employment. According to [him](#), Global Affairs Canada's assumption about full employment is unrealistic and probably affects the assessment's estimated response of Canadian GDP to Canada's ratification of the TPP.

[Global Affairs Canada](#) acknowledged that its economic impact assessment of the TPP does not explicitly model Canada's labour market, and focuses on the reallocation of resources within the Canadian economy that would occur following implementation of the TPP. [It](#) commented that, "since trade policy leads to reallocation of resources, the impact on aggregate employment is [usually] relatively small." [It](#) also told the Committee that the economic model in the study co-authored by Mr. Izurieta and Mr. Capaldo uses projections of the TPP's expected impact on trade to estimate the manner in which the TPP would affect economic indicators, such as income inequality. According to Global Affairs Canada, the structure of the model used in their study enables the increase in income inequality to be projected regardless of the TPP's expected impact on trade.

Some witnesses suggested that economic impact assessments of the TPP do not account for the effects of specific TPP provisions. [Mr. Balsillie](#) commented that all models of the TPP's likely economic effects do not consider the economic implications of its intellectual property and ISDS provisions, which he considers to be the most important aspects of the TPP.

15 [Jeronim Capaldo, Alex Izurieta, and Jomo Kwame Sundaram, *Trading Down: Unemployment, Inequality and Other Risks of the Trans-Pacific Partnership Agreement*, January 2016.](#)

16 [Tufts University](#) is a U.S. private university located in Massachusetts.

RATIFICATION OF THE TRANS-PACIFIC PARTNERSHIP

Regarding the ratification process for the TPP, [Global Affairs Canada](#) informed the Committee that all of the other 11 TPP countries are at varying stages of their domestic ratification processes, but that – as of 6 October 2016 – no country had yet ratified the TPP. It also explained that TPP countries have until February 2018 to bring the TPP into force.

Nearly all of the emails that the Committee received during its study, most of which were part of email campaigns, urged the Government not to ratify the TPP, and some witnesses made the same proposal. For example, [Ford Motor Company of Canada Limited](#) said that the Government should not ratify the TPP in its current form, but should instead work with the other countries to make the TPP “better” for Canada’s auto and other sectors.

The [Canadian Centre for Policy Alternatives](#) commented on Canada’s ratification decision in relation to the TPP, and said: “Our research to date strongly suggests the risks for Canada in ratifying the TPP, especially the negative impact on our governments’ ability to regulate in the public interest, significantly outweigh the benefits. While certain sectors or groups may gain, the TPP would not be of net benefit to Canada. We therefore recommend against its ratification.”

The [Alliance of Canadian Cinema, Television and Radio Artists](#) also recommended that the House of Commons reject the TPP, believing that ratification would “restrict Canada’s right to implement the full range of cultural policies Canadians need.” It suggested the following regarding possible next steps: “[i]f there is any further consideration of TPP provisions or any effort to apply the Agreement to a different group of countries, [the Alliance of Canadian Cinema, Television and Radio Artists] urges that negotiations be reopened and that Canada obtain a broad cultural exemption before agreeing to the Agreement.”

The Committee also heard from witnesses who said that Canada should ratify the TPP, with some believing that ratification should occur quickly. [His Excellency Daniel John Mellso](#), who is the High Commissioner of New Zealand to Canada, mentioned that New Zealand was encouraging Canada to ratify the TPP. [His Excellency Kenjiro Monji](#), who is Japan’s Ambassador to Canada, spoke to the Committee after the United States decided to withdraw its signature from the TPP and commented that, despite this withdrawal, “Japan is asking other signatories to proceed for ratification, even after the expression of withdrawal by the United States.” Specifically, [he](#) hoped the Government of Canada would “proceed further with its consultation on the TPP toward its ratification.”

The [Alberta Beef Producers](#) said that the Government should ratify the TPP quickly in order to “continue momentum towards implementation of the agreement more broadly.” In addition, the [National Cattle Feeders’ Association](#) indicated that “the argument can be made that Canada should ratify the TPP before the U.S. in order to make it easier to resist American efforts to extract more concessions from Canada.”

However, some witnesses said that Canada should await the outcome of future events prior to making a decision about ratification of the TPP. For example, according to a brief submitted to the Committee by [Robert Wolfe](#), who made comments as an individual, one objective of Canadian trade policy is to maintain access to the U.S. market and U.S.-centric supply chains on terms that are as favourable to Canada as they are to any other country. He believed that the Government of Canada should ratify the TPP only if the Government of the United States does so first. The [Canadian Chamber of Commerce](#) contended that it would be catastrophic for Canada not to ratify the TPP if its NAFTA partners do so.

In a brief submitted to the Committee, Herman & Associates' [Lawrence Herman](#), who made comments as an individual, suggested that the Government "should not commit to the Agreement and proceed down the path to ratification until it is clear whether, and under what conditions, the US government will agree to ratify the deal."

In the context of the U.S. decision to withdraw from the TPP, the Committee was told that this decision should not prevent the remaining TPP countries from concluding an FTA if it is in their interest to do so. [His Excellency Duc Hoa Nguyen](#), who is Ambassador for the Socialist Republic of Vietnam to Canada, said:

The TPP is said to be dead since Washington's exit, but some countries do not accept that. Japan and Singapore already have ratified. Japan and Australia are working together with other partners to go ahead. Chile has come up with the idea of hosting a meeting in mid-March and has invited all 12 participating countries, as well as South Korea and China. We welcome this idea and highly appreciate all efforts and initiatives to seek new ways to go beyond the TPP.

Moreover, [Her Excellency Aminah Binti Hj. A. Karim](#), who is the High Commissioner for Malaysia to Canada, told the Committee she believed that the TPP could still enter into force if the remaining TPP countries agreed to change the provision on the agreement's entry into force: "The entry into force of the TPP agreement under the present conditions cannot take place without U.S. participation. Going ahead without the U.S. is an option, but this would require an amendment to the clause on entry into force in the text of the signed agreement."

Some witnesses proposed that the Government of Canada pursue bilateral or regional FTAs while it considers whether to ratify the TPP. [Mr. Ciuriak](#) said that the Government should pursue a Canada–China FTA, and should "vigorously promote Asia-Pacific trade and investment frameworks under the APEC banner."

Similarly, according to a number of witnesses, if the Government of the United States decides not to ratify the TPP or the U.S. ratification process is delayed, the Government of Canada should conclude bilateral FTAs with one or more of the TPP countries with which it does not yet have an FTA. For example, the [National Cattle Feeders' Association](#) claimed that, if the United States does not ratify the TPP, Canada should conclude a bilateral agreement with Japan that would "salvage" what it hoped would be accomplished in the TPP, and that "would put Canadian producers back on an even playing field in the Japanese market with producers from countries which already

have FTAs with Japan.” In a brief submitted to the Committee, [Ontario Pork](#) said that, “[i]f it appears that the implementation of the TPP will be unduly delayed, e.g. due to political stalemate in the U.S., we would strongly urge the Canadian government to undertake a vigorous contingency strategy of bilateral or regional trade negotiations in high-priority markets such as Japan and Vietnam.”

In the view of some witnesses, if the TPP enters into force but the Government of Canada decides against ratification, the Government could encounter challenges in concluding bilateral FTAs with Asia-Pacific countries. For example, according to [Mr. Herman](#), if the United States and Japan ratify the TPP and Canada does not, Japan would “have no interest in negotiating a bilateral deal with Canada, in my view. [If Japan does], it will be a deal that will be based on the TPP.” The [Canada-ASEAN Business Council](#) made a similar comment in a brief submitted to the Committee, claiming that the low perceived benefits of bilateral FTAs would mean that at least some Asian countries would probably not move quickly to negotiate a bilateral FTA with Canada if the country decides not to ratify the TPP.

Finally, a brief submitted to the Committee by the [Council of Canadians](#) suggested that the Government not consider ratifying the TPP until the Parliamentary Budget Officer has undertaken an independent analysis of the TPP. In its view, this analysis should include consultations with the provinces, civil society, unions, municipalities and First Nations, and should ensure that the potential impacts of the TPP on human rights and the environment are considered.¹⁷

FEDERAL SUPPORT FOR CANADIAN BUSINESSES

Many of the Committee’s witnesses made proposals that they felt would support Canadian businesses, most of which concerned federal measures that would allow businesses to maximize the benefits resulting from the TPP’s expected export opportunities. For example, the [Fédération des chambres de commerce du Québec](#) highlighted the importance of public support for innovation, commenting that Canadian businesses must market innovative, world-class products and services in order for the country’s economy to benefit from FTAs. It suggested that, in its promised innovation plan, the Government include assistance for Canadian businesses that wish to access export markets.

Some witnesses representing Canada’s manufacturing sector mentioned that trade support networks for that sector should be strengthened, including through an expansion of Canada’s Trade Commissioner Service. For example, a brief submitted to the Committee by the [Canadian Association of Railway Suppliers](#) commented that such an expansion would “help companies build more Asia Pacific market presence,” including through the identification of “distributors, buyer agents, [or] representatives.”

17 The mandate of the [Parliamentary Budget Officer](#) is “to provide independent and objective analysis to Parliament on the state of the nation’s finances, the government’s estimates and trends in the Canadian economy; and upon request from a committee or parliamentarian, to estimate the financial cost of any proposal for matters over which Parliament has jurisdiction.”

Many witnesses representing the goods sector told the Committee that Canada should enhance its trade-enabling infrastructure, especially in relation to transportation. The [Forest Products Association of Canada](#) stated that collective efforts are required in Canada to ensure that Canadian businesses are able to take advantage of FTAs, and highlighted the development of “sufficient infrastructure to support new markets, particularly as trade flows move beyond north-south to east-west.”

Some witnesses from Canada’s western provinces described problems that they encounter in shipping their products by rail, and claimed that Canadian railways do not meet their performance obligations. According to [Viterra](#), “Canada requires a demand-driven rail freight system in order to meet its trade opportunities and a rail freight system with clear accountability and corresponding penalties for non-performance.”

The [Whitehorse Chamber of Commerce](#) noted that, “[i]n order for the resource development, tourism, knowledge, and innovation sectors to reach their potential to increase international trade and become net contributors to Canada, we will need to do more than just sign trade agreements.” Among other things, it proposed that the Government assist in the development of a northern infrastructure program for roads, high-speed communications networks and other technologies to facilitate resource discoveries. The [Mining Association of Canada](#) suggested that the Government include a northern-specific fund within Canada’s proposed infrastructure bank. In its view, this fund should be based on the Alaska Industrial Development and Export Authority model, which it characterized as highly successful.

The Committee repeatedly heard that Canadian businesses, especially SMEs, have a limited understanding of the TPP. For example, the [Canadian Federation of Independent Business](#) indicated that “many smaller companies don’t really know much about [the] TPP.” Similarly, [Canadian Manufacturers & Exporters](#) stated that “[t]he vast majority of smaller companies in Canada would have no clue about what the [TPP] is.”

The [Canadian Federation of Independent Business](#) expressed qualified support for certain provisions in the TPP’s chapter on SMEs, including those that would require TPP countries to establish “accessible” websites for these businesses. It emphasized that these websites should provide information in “plain language.”

The Committee was also told that the Government should help to inform businesses, especially SMEs, about the TPP and the opportunities that it would provide to them. For example, the [Fédération des chambres de commerce du Québec](#) commented that the Government should help SMEs “know what they need in terms of compliance, capacity, [and] the type of production required ... to access markets [in the TPP countries].”

TRADE IN GOODS

According to the economic impact assessment of the TPP that Global Affairs Canada submitted to the Committee, “[t]he TPP Agreement would provide Canadian exports with tariff savings in the seven new FTA partner countries of about \$428 million per year, with the majority of savings coming from Japan, Vietnam, and Australia.”¹⁸ It noted that “tariff savings give Canadian exports an extra cost advantage relative to those that are not party to the TPP Agreement, and the TPP tariff outcomes generally provide a level playing field with respect to other TPP competitors in these markets.”

As well, the Committee was informed that the TPP would eliminate Canadian tariffs on certain products. According to the [Retail Council of Canada](#), the TPP would allow Canadian retailers to provide “a great assortment of goods at competitive prices for Canadian consumers. ... The more tariff elimination there is, the more products are available to Canadian consumers at competitive prices.” The [Canada-ASEAN Business Council](#) noted that the TPP’s tariff reductions and eliminations would reduce the cost of consumer goods, as well as the cost of production inputs and capital equipment purchased by businesses.

However, some witnesses from the automobile manufacturing sector, as well as those representing Canada’s supply-managed agricultural sectors, said that these sectors would experience new import competition or would lose domestic market share as a result of the TPP’s tariff and quota provisions. [Unifor](#) commented that, “[w]ith elimination of the tariffs and lowering of the [rules of origin] thresholds, our supply jobs and assembly jobs are not only going to be threatened by the TPP players, but they’re also going to be penalized by non-TPP imports from China, from Malaysia, and from other countries around the world that aren’t even a part of the TPP agreement.” Similarly, [Dairy Farmers of Canada](#) suggested that “[t]he CETA and TPP agreements open the door to products from dairy industries that are highly subsidized in both the U.S. and EU, putting Canadian dairy farmers at a disadvantage in our own market.”

Witnesses also noted that trade in goods would be affected not only by the TPP’s tariff provisions, but also by its non-tariff provisions. For example, a brief submitted to the Committee by [UPS Canada](#) explained that the TPP would simplify and modernize customs procedures, including through a reduction in the number of documents that would need to be completed in order for a good to clear customs, and through enabling more electronic processes and clearances.

The [British Columbia Maritime Employers Association](#) said that exports to the Asia-Pacific region create jobs at Canadian port facilities because these exports involve the port sector to a greater extent than do exports to the United States.

Some witnesses representing the goods sector mentioned that access to new markets could also facilitate additional investment in their Canadian operations. According

18 Global Affairs Canada, [Economic Impact of Canada’s Potential Participation in the Trans-Pacific Partnership Agreement](#), 2016.

to the [BC LNG Alliance](#), having access to markets through FTAs increases the competitiveness of Canada's liquefied natural gas sector. In its view, this increased competitiveness is necessary for the sector to implement liquefied natural gas projects in British Columbia that "have the potential to be the largest capital investment ever made in Canadian history."

That said, a number of witnesses believed that the TPP would increase Canada's reliance on exports of raw materials without enhancing domestic value-added processing of these products. For example, the [Réseau québécois sur l'intégration continentale](#) told the Committee that "[t]he TPP, in itself, promotes imports of value-added manufactured products and promotes exports of natural resources. ... The agreement does not stimulate sectors where innovation takes place and does not promote industrial policies."

The [Trade Justice Network](#) commented that the TPP would "very much advantage those corporations that wish to compete on the basis of cheap labour or lower standards." In its view, since NAFTA entered into force, Canada has lost "good-quality" manufacturing jobs to lower-wage jurisdictions. It also said that FTAs like the TPP would make Canada "more dependent on raw resource extraction and export."

However, some witnesses representing Canada's manufacturing sector told the Committee that the TPP would provide new opportunities for manufacturing exports. According to [Canadian Manufacturers & Exporters](#), "[o]ften what we see in trade agreements is that countries that want our natural resources aren't really too fond of getting our finished goods." It explained that these countries have used regulatory measures to block imports of Canadian value-added products, and that the TPP would go "a long way ... to level the playing field" with other TPP countries. [It](#) also said that the TPP would allow value-added Canadian exports and "not just the export of natural resources."

Agriculture and Agri-Food

Overall Impact of the Trans-Pacific Partnership on Canada's Agricultural and Agri-Food Sector

According to Global Affairs Canada, the TPP would "provide new market access opportunities for Canadian pork, beef, pulses, fruits and vegetables, malt, grains, cereals, animal feeds, maple syrup, wines and spirits, baked goods, processed grain and pulse products, sugar and chocolate confectionery, and processed foods and beverages."¹⁹

The TPP would affect Canadian agricultural producers primarily through tariff reductions and eliminations, quotas, and provisions that address sanitary and phytosanitary measures, as well as modern biotechnology products.²⁰ Notably, the TPP would reduce or eliminate tariffs that other TPP countries apply on certain Canadian

19 Global Affairs Canada, *Opening markets for agricultural and agri-food products*, 2015. This information can be found at the [Internet Archive](#).

20 According to the [World Trade Organization](#), sanitary and phytosanitary measures are "measures dealing with food safety, and animal and plant health."

agricultural exports, or would increase access to export markets through quotas for specific Canadian agricultural products.

That said, through phased-in quotas, the TPP would also provide agricultural producers in the other TPP countries with new access to Canada's market for supply-managed products. According to the Government, as a percentage of Canada's annual production, these quotas would be 3.25% for dairy products, 2.3% for eggs, 2.1% for chicken products, 2.0% for turkey products and 1.5% for broiler hatching eggs.²¹

The Committee's witnesses generally agreed that the TPP would give Canada's export-oriented agricultural producers – generally, those who are not in supply-managed sectors – with new market access opportunities, and would improve their ability to compete in certain TPP markets against producers from other countries.

To demonstrate the importance of new market access opportunities, witnesses representing some of Canada's export-oriented agricultural producers informed the Committee that the country's domestic market is small relative to the amount that is produced. For example, [Oxford Frozen Foods Ltd.](#) pointed out that "Canada grows two-thirds to three-quarters of the commercially viable wild blueberries in the world. The domestic market is very small, so 90% of the wild blueberries are exported."

According to the [Canadian Agri-Food Trade Alliance](#), if Canada ratifies the TPP, the most significant new market access opportunities for Canadian agricultural and agri-food exporters would be in the United States, Japan, Vietnam and Malaysia. It also mentioned that the TPP would preserve Canada's "privileged access to our number one trading partner, the U.S. It secures unprecedented access to fast-growing Asia-Pacific markets, and it provides an opportunity to enhance our competitive position in the region and obtain more value for our products."

Many witnesses described the strong and growing demand for Canadian agricultural products in TPP countries. According to the [Grain Growers of Canada](#), the TPP region includes emerging economies that will import additional higher-quality food "for years to come." It added that Canadian agricultural producers are "extremely well positioned" to meet growing demand from this region. Moreover, [His Excellency Daniel John Mellsop](#), stated that – in the Asia-Pacific region – Canadian food exports are known for their safety and security.

In general, witnesses representing Canada's export-oriented agricultural producers told the Committee that the TPP's new market access opportunities would allow them to increase their exports to TPP countries. Some also mentioned that the TPP would increase employment within their sectors. For example, the [Canadian Cattlemen's Association](#) estimated that the TPP would allow beef producers to double or nearly triple the value of Canada's beef exports to Japan. According to the [Saskatchewan Cattlemen's](#)

21 Agriculture and Agri-Food Canada, [Government of Canada Delivers New Programs for Supply Management Sector](#), 5 October 2015.

[Association](#), such an increase in beef exports could create between 5,200 and 5,400 jobs in Canada.

The [Canadian Pork Council](#) noted that, according to a study that it commissioned, the TPP's new market access opportunities would increase the value of Canadian pork producers' exports by an estimated \$300 million, and would create 4,000 new jobs once the TPP is fully implemented.

According to the [Western Barley Growers Association](#), improved market access in Japan for Canadian processed pork and beef resulting from implementation of the TPP would also benefit Canadian feed barley producers by increasing the consumption of feed barley in Canada. The [Barley Council of Canada](#) claimed that, through the TPP, increased access to the Japanese market for feed, food barley, malt, and processed pork and beef could result in additional sales of between 400,000 and 500,000 tonnes of Canadian barley, which could be valued at between \$75 million and \$100 million. Moreover, [Cereals Canada](#) indicated that the TPP could result in a 20% increase in the volume of wheat exports to TPP countries.

Canada's fertilizer producers and exporters also highlighted the benefits for their sector that would result from the country's ratification of the TPP. For example, a brief submitted to the Committee by [Fertilizer Canada](#) asserted that Canada's crop and fertilizer producers would benefit from improved market access because of the TPP, and stated that "[f]armers buy fertilizer, and when they succeed so does Canada's fertilizer industry." Similarly, according to the [Canola Council of Canada](#), "seed developers will benefit [from the TPP] as a more valuable crop means the demand for seed innovation will continue to grow."

Many witnesses representing Canada's export-oriented agricultural producers told the Committee that, if the TPP enters into force without the country's participation, these producers would thereafter be disadvantaged compared to foreign competitors that would have preferential access to markets in the TPP countries. For example, according to the [Canadian Agri-Food Trade Alliance](#), "Canadian agriculture cannot afford to relive the destructive experience of South Korea, which saw a billion-dollar market virtually cut in half overnight when our competitors, namely the U.S. and Australia, had access to this market and we did not."

Regarding Canada's beef sector, the [Canadian Cattlemen's Association](#) indicated that, "[w]ithout the TPP or a bilateral agreement with Japan, Canada will likely lose around 80% of the value of our [beef] exports to Japan." The [Canadian Pork Council](#) commented that the Japanese market for Canadian pork would be lost, and that damage to Canada's pork sector would be "extreme," if the TPP enters into force without the participation of Canada. [Cereals Canada](#) said that "being left out of a ratified TPP agreement could result in a 50% reduction in Canadian wheat exports to the [Asia-Pacific] region," while the [B.C. Seafood Alliance](#) stated that it would be "disastrous" for its members if the Government of the United States ratifies the TPP but the Government of Canada does not do so.

Most witnesses representing Canada's export-oriented agricultural producers believed that the TPP would increase their exports. That said, most of those representing supply-managed agricultural producers generally did not expect the TPP to provide significant new export opportunities for their sectors, and claimed that the TPP would cause them to lose their share of the domestic market through increased imports, resulting in production and job losses in Canada.

According to [Chicken Farmers of Canada](#), the TPP would open the Canadian market to an additional 26.7 million kilograms of annual chicken imports, leading to an estimated loss of 2,200 jobs and a reduction of about \$150 million in Canada's GDP. Similarly, [Les Éleveurs de volailles du Québec](#) said that the TPP would increase import access to the Canadian chicken market from 7.5% of domestic production to 9.6%. Moreover, in a brief submitted to the Committee, [Turkey Farmers of Canada](#) suggested that the TPP would permit a 71.2% increase in import access to the Canadian turkey market. In the view of [Les Éleveurs de volailles du Québec](#), additional access to Canada's poultry market resulting from implementation of the TPP "could result in the loss of 2,600 jobs and cut \$175 million from our GDP."

[Dairy Farmers of Canada](#) noted that the TPP would increase import access to Canada's dairy market by between 3.37% and 3.97% of the country's annual dairy production, an estimate that it said is higher than the Government estimate of 3.25% and represents "a loss of revenue ranging between \$190 million and \$250 million, depending on what product is really imported at the end."

According to [Les producteurs de lait du Québec](#), Canada "chose to make significant concessions guaranteeing 3% to 4% access to [TPP] member countries. Canada's concessions in the dairy sector are proportionately greater than those offered by the other countries."

The economic impact assessment submitted to the Committee by Global Affairs Canada indicated that the TPP could result in reduced Canadian dairy production and "losses in economic welfare from producers' perspective," but noted that these losses could be offset "by gains elsewhere in the [dairy] sector benefiting from imported dairy products."²²

Most witnesses representing Canada's supply-managed agricultural producers also claimed that new export opportunities resulting from the TPP would likely be modest. For example, a brief submitted to the Committee by [Les Producteurs de lait du Québec](#) observed that "[i]t is possible to make some inroads through niche [and value-added] products ... but the quantities in question do not compare with the amount of the concessions granted by Canada." Similarly, a brief submitted by [Turkey Farmers of Canada](#) suggested that the TPP would not lead to any major export opportunities for Canada's turkey sector.

22 Global Affairs Canada, [Economic Impact of Canada's Potential Participation in the Trans-Pacific Partnership Agreement](#), 2016.

[Dairy Farmers of Canada](#) noted that export opportunities for the dairy sector resulting from the TPP would be limited for two reasons: high production costs in Canada “at the farm level as well as the processing chain”; and a WTO panel determined that exports that are sold below domestic prices are subsidized. According to it, “[t]he promotion of export activities and export strategies can only succeed if they are jointly developed through a strong producer-processor partnership in collaboration with government.”

Tariffs and Quotas

Witnesses representing Canada’s export-oriented agricultural producers highlighted tariff reductions and elimination, or new quotas, that would apply to their sectors if the Government ratifies the TPP. Those representing supply-managed agricultural producers told the Committee about the TPP’s quota provisions that they believe would cause these producers to lose domestic market share to producers from the other TPP countries.

According to the [Cross-Border Institute](#), some of the largest TPP tariff reductions would occur in relation to agricultural goods, and implementation of the TPP could help Canada to increase its agricultural exports to Japan. Similarly, [Global Affairs Canada](#) claimed that, with implementation of the TPP, Canada would achieve “significant benefits” through Japanese tariff eliminations “on many agricultural products.”

The [Canadian Meat Council](#) said that the TPP would reduce Japan’s tariff on imports of Canadian beef from 38.5% to 9%, a decrease that it characterized as substantial. The [Manitoba Pork Council](#) informed the Committee that the TPP’s proposed reductions in Japan’s over-gate price and under-gate price tariffs would increase Canada’s pork exports to Japan. Moreover, a brief submitted to the Committee by the [Canadian Pork Council](#) commented that Vietnam’s pork imports for local consumption are currently negligible due to high tariffs, and mentioned that the TPP would eliminate Vietnamese pork tariffs that are – at present – as high as 34%.

In describing the significance of the TPP’s tariff reductions for Canada’s food barley producers, the [Western Barley Growers Association](#) stated that “Asia uses a lot more barley in its food than we do in North America, and food use for barley is an important addition to traditional barley markets. This agreement would encourage this expansion by lowering food barley tariffs in Japan by 45% over the next eight years.”

According to the [Saskatchewan Barley Development Commission](#), the TPP would increase tariff-rate quotas (TRQs) for Canadian roasted and unroasted malt barley. It also claimed that the TPP would eliminate Japan’s tariff of \$113 per metric tonne on Canadian feed barley, which it said could possibly increase the value of Canada’s feed barley exports to Japan by \$25 million.

The [Alberta Wheat Commission](#) stated that, if the Government ratifies the TPP, Canadian agricultural producers would have increased access to Japan’s food and feed wheat market through tariff elimination and increased quotas, and would also have

additional market access to Vietnam through the elimination of its 5% tariff on imports of Canadian wheat products.

The [Fédération des producteurs acéricoles du Québec](#) told the Committee that the TPP would eliminate tariffs on maple products of 3% in Vietnam and of more than 17% in Japan, enabling Canadian maple syrup and maple sugar producers “to exploit the potential of these markets.”

According to the [Canadian Sugar Institute](#), the TPP would increase quotas for sugar-containing products in Japan, and would provide additional opportunities for exports to Vietnam and Malaysia. It also said that the TPP’s quota provisions would provide “very meaningful and important improvements in access to the United States for [sugar and high sugar content products], with a doubling of beet sugar exports out of Alberta and a 16% increase in those sugar-containing products from Ontario.”

The Committee was informed that the TPP would also reduce and eliminate tariffs in the seafood sector. The [Association of Seafood Producers](#) observed that seafood tariffs in TPP countries are currently as high as 34%, while the [Canadian Aquaculture Industry Alliance](#) suggested that tariffs in Japan, Vietnam and Malaysia put Canadian seafood farmers at a “severe disadvantage.” In the view of [Clearwater Seafoods Limited Partnership](#), the TPP would eliminate two thirds and all of the tariffs that Japan and Vietnam, respectively, apply on seafood products.

However, a few witnesses representing Canada’s seafood sector expressed concerns about the Government’s possible ratification of the TPP. [Connors Bros. Clover Leaf Seafoods Company](#) stressed that “the simple elimination of tariffs, without addressing other regulatory issues affecting our operations in [a canning facility at] Blacks Harbour,” such as import restrictions on raw materials processed there, “may be a threat to the competitiveness of that operation.”

In addition, the [Grand Manan Fishermen’s Association](#) suggested that the TPP could reduce the viability of Canada’s existing owner-operator and fleet separation policies that apply to the fisheries sector. It said that “[c]ritical policy like owner-operator and fleet separation, and the notion that Canada’s fisheries resources are a common property resource, will be sacrificed so that other sectors of the economy, pork producers perhaps, can get access to TPP markets.”

Some witnesses representing Canada’s export-oriented agricultural producers told the Committee that the TPP’s tariff reductions and eliminations would increase these producers’ ability to compete in markets in TPP countries against producers from non-TPP countries. For example, the [Alberta Pulse Growers Commission](#) observed that the TPP would be an opportunity to “eliminate tariffs where [Canadian] pulses do not already have duty-free access,” and would provide “a tariff advantage over competing pulse exporters that are not part of the TPP” because these competing exporters would “face higher tariffs [selling to TPP countries] than [would] member countries such as Canada.”

Moreover, a number of witnesses representing Canada's export-oriented agricultural producers said that the Government's ratification of the TPP would increase their ability to compete against producers from the other TPP countries. For example, the [Canadian Cattlemen's Association](#) explained that, because of the 2015 *Japan–Australia Economic Partnership Agreement*, Japan's tariff on Canadian beef is currently higher than its tariffs on Australian beef. It stated that, if the Government does not ratify the TPP, the discrepancy between Japan's tariff on Canadian beef and its tariffs on Australian beef would widen due to future successive reductions in the latter tariffs under the 2015 agreement.

Some witnesses representing Canada's export-oriented agricultural producers claimed that the TPP's tariff reductions and eliminations would result in increased Canadian exports of processed agricultural products, thereby enhancing agri-food manufacturing in Canada. For example, the [Saskatchewan Association of Rural Municipalities](#) suggested that the TPP would lead to growth and investment in Canada's value-added agricultural sector "through better access to the Pacific markets for processed products, including canola oil, beef, and pork."

Regarding Canada's canola sector, the [Canola Council of Canada](#) informed the Committee that Canadian canola processors have been unable to sell canola oil to Japan because of the tariffs that country applies on Canadian canola oil. According to it, the TPP would eliminate tariffs on canola oil and meal exported to Japan and Vietnam, a change that the [Canadian Canola Growers Association](#) claimed "would eliminate the disadvantage canola oil currently faces in Japan vis-à-vis competing oil seeds (e.g. palm, sunflower) whose tariffs are set at a lower rate."

Witnesses representing Canada's canola sector, including the [Canola Council of Canada](#), stated that the TPP's elimination of Japanese and Vietnamese tariffs on canola oil and meal would increase the value of that sector's annual exports by \$780 million. The [Canadian Canola Growers Association](#) said that, by increasing Canadian exports of value-added canola products, the TPP would create new jobs in Canadian canola processing facilities. The [Alberta Canola Producers Commission](#) described the jobs in these facilities as "highly technical, well-paid positions."

In commenting on processing opportunities in the sugar sector that would result from implementation of the TPP, the [Lambton Federation of Agriculture](#) told the Committee that "[b]eet farmers in Lambton County and Chatham-Kent are excited that the TPP will again allow for local sugar processing, with U.S. accepting imports. However, on further inspection, it appears that the TPP falls short in guaranteeing the increased market access to the United States that would allow for ... processing in Canada."

Non-Tariff Barriers to Trade in Agricultural and Agri-Food Products

In addition to tariff provisions, the TPP would affect Canada's export-oriented agricultural sector as a result of provisions that address non-tariff trade issues. For example, the TPP's [Chapter 7](#) – which addresses sanitary and phytosanitary measures – aims to protect human, animal and plant life or health while facilitating trade.

Among other things, the chapter would introduce rules on transparency and consultation that would establish a committee on sanitary and phytosanitary measures and require the TPP countries to publish – for public comment – their proposed regulations in relation to these measures.

In addition, [Article 2.27](#) of the TPP, which addresses trade in modern biotechnology products, would establish procedures that the TPP countries would have to follow when they detect a low-level presence of genetically modified organisms in imported goods.²³ Most provisions in this article relate to the exchange of information between relevant stakeholders, including the importer, the importing country, the exporter and the exporting country.

Witnesses representing some of Canada’s agricultural producers mentioned that these producers would benefit from the TPP’s provisions that would address what they consider to be non-tariff barriers to trade. These alleged barriers include those resulting from government policies on low-level presence, as well as those relating to certain sanitary and phytosanitary measures, including – in some instances – pesticide maximum residue limits.²⁴

[Cereals Canada](#) claimed that FTAs must address unscientific sanitary and phytosanitary measures because when tariff barriers to trade are removed, governments use non-tariff means to restrict imports, such as unscientific health and safety rules. Some witnesses, including the [Grain Farmers of Ontario](#), said that trade disruptions sometimes arise due to the interaction of “zero tolerance regulatory frameworks” and “increasingly acute” technologies that are used to detect low-level presence.

According to the [Canadian Canola Growers Association](#), provisions in the TPP would provide “a mechanism to share information,” contain “a commitment to science-based regulations,” and establish “a platform for discussion ... [and for] proactively address[ing] some of the issues that we are talking about in terms of [maximum residue limits and low-level presence] in canola.”

The [Canadian Seed Trade Association](#) told the Committee that Article 2.27 of the TPP would provide predictability by establishing “a transparent process to deal with [low-level–presence] issues.” Some witnesses supported the proposed working group on biotechnology products that would be created under Article 2.27. According to the [Grain Farmers of Ontario](#) and [Soy Canada](#), the working group would “facilitate co-operation and information exchange” on biotechnology issues, such as low-level presence. According to the [Grain Farmers of Ontario](#), “[t]hese are positive steps towards reducing disruption to trade in the grains and oilseeds industry and establishing predictable trading rules with TPP members.”

23 Global Affairs Canada, [Chapter 2 – National Treatment and Market Access for Goods](#), 2016. According to [Agriculture and Agri-Food Canada](#), “[l]ow-level presence (LLP) is the unintended presence, at low levels, of unauthorized genetically modified (GM) crops in imported grain, food or feed.”

24 According to the [European Commission](#), a maximum residue limit is “the highest level of a pesticide residue that is legally tolerated in or on food or feed when pesticides are applied correctly.”

More generally, the [Alberta Pulse Growers Commission](#) mentioned possible trade facilitation that could arise from increased consultation and collaboration among TPP countries. According to it, “[u]nder the TPP Canada has the ability to lead the dialogue” on various non-tariff agricultural trade issues, including maximum residue limits. It maintained that, “[i]f an importing country accepted another country’s tolerance in cases where it would otherwise apply a zero threshold because [a maximum residue limit] has not yet been set or approved, a large majority of [maximum residue limit–related] trade risk would be eliminated.”

[Canpotex](#) supported various non-tariff provisions in the TPP. For example, it mentioned that the TPP’s transparency provisions requiring government regulations to be accessible and up-to-date would remove “the guesswork and the opacity [in relation to] government regulations that could affect a foreign business.” It also commented that the TPP contains provisions that would address “state-owned enterprises competing unfairly with foreign businesses.”

Government Support for Canadian Agricultural Producers

Some witnesses – including [Dairy Farmers of Canada](#), [Chicken Farmers of Canada](#) and other organizations representing Canada’s supply-managed agricultural sectors – stated that it was important for the Government to adopt measures to mitigate the effects of the TPP on the supply-managed sectors, as well as compensation measures for producers in these sectors. As part of an email campaign sponsored by Dairy Farmers of Canada, some people told the Committee that they had “serious concerns about the lack of commitment shown by the government” in relation to a previously announced mitigation and compensation package for Canada’s dairy and poultry sectors.²⁵

[Dairy Farmers of Canada](#) said that these previously announced mitigation and compensation measures would have “lessened the burden” of the TPP on Canada’s dairy sector. According to [Desjardins Group](#), the Government should quickly clarify the compensatory and transitional measures that would be provided for Canada’s supply-managed sectors if the TPP enters into force. In its view, “[a]s long as those measures have not been officially confirmed and put in place, all actors in the agricultural sector will have to make important business decisions against a background of uncertainty.”

Regarding compensation measures, [Dairy Farmers of Canada](#) requested that the Government of Canada invest at least \$4.3 billion in Canada’s dairy and other supply-managed sectors.²⁶ Similarly, in a brief submitted to the Committee, [Les Éleveurs de volailles du Québec](#) mentioned that the previously announced “compensation programs” would “offer some relief to farmers and processors.”

25 On 5 October 2015, the Government of Canada [announced](#) \$4.3 billion in funding for four new programs to support producers and processors of supply-managed products during the implementation period of the TPP and CETA. It also announced that it would “intensify” measures that combat the circumvention of Canada’s import controls for supply-managed products.

26 On 10 November 2016, the Government of Canada [announced](#) that, to support Canada’s dairy sector when CETA enters into force, it would allocate \$250 million over five years for a dairy farm investment program, as well as \$100 million over four years for a dairy processing investment fund.

Some witnesses, including those from Canada's supply-managed agricultural sectors, also asked the Government to take action to address the circumvention of import controls in relation to dairy and poultry products. [Chicken Farmers of Canada](#) emphasized that it was "critical" that the Government implement, without delay, three previously announced import-related measures: the exclusion of chicken products from the Duties Relief Program; a certification requirement regarding spent fowl imports; and a measure to prevent importers from circumventing import quotas by adding sauce packets to chicken products."²⁷

In a brief submitted to the Committee, [Les Producteurs de lait du Québec](#) proposed that the Government ensure both "that ... compositional standards treat diafiltered milk as an ingredient and regulate its use in cheese recipes," and "that standards also limit its addition to other dairy products in which it could be used," such as yogurt. [It](#) also suggested that supply-managed agricultural products be excluded from Canada's Duty Deferral Program, which consists of the Duties Relief Program and two other programs.

Briefs submitted to the Committee by processors of Canada's supply-managed products also provided proposals regarding the Duty Deferral Program. For example, [Skotidakis Goat Farm](#) said that it would be unable to "produce competitive exports" if it could not use the program, and indicated that it wished to continue using it. However, in a brief submitted to the Committee, [Maple Leaf Foods](#) proposed that the Government implement each of the three anti-circumvention measures contained in the previously announced mitigation and compensation package.

Some witnesses from Canada's dairy sector, including [Dairy Farmers of Prince Edward Island](#), requested that the Government provide additional information regarding the manner in which Canada's TRQs contained in the TPP would be administered. It told the Committee that the TPP would "prevent the Canadian Dairy Commission from importing the [amount of butter that would be included in Canada's] TPP butter TRQ as it currently does for the WTO TRQ." In its view, "[c]larification is needed about who will be able to import as well as the role the [Canadian Dairy Commission] can play to ensure that the impacts of the [TPP] are limited."

Regarding TRQ administration, a brief submitted to the Committee by the [International Cheese Council of Canada](#) claimed that the value of its allocation of Canada's cheese TRQ would be diluted by Canada's cheese TRQ in the TPP, and proposed that the latter TRQ be allocated to "traditional" cheese TRQ holders,²⁸ including its members, on the basis of each holder's current percentage holding of Canada's cheese TRQ.

27 These measures were included in the mitigation and compensation package announced by the Government of Canada on 5 October 2015. That package would also have excluded other supply-managed products from the Duties Relief Program.

28 In accordance with [Global Affairs Canada's Notice to Importers No. 890](#), Canada, allocates its cheese import quota to "traditional" allocation holders. Each year's allocation is provided on the basis of the previous year's allocation, with possible adjustments for under-utilization.

Some witnesses requested federal support for innovation and marketing in relation to Canada's agricultural sectors. According to the [Union des producteurs agricoles](#), "[w]e can open up new markets, but if we are not competitive owing to insufficient R and D, it will be to no avail.... Ultimately, opening markets will not benefit our economy unless our government takes action on competitiveness." The [Prince Edward Island Fishermen's Association](#) proposed that Canada's seafood producers be included in a program similar to Growing Forward,²⁹ and the [Nova Scotia Federation of Agriculture](#) suggested that the Government of Canada renew and expand the AgriMarketing program to allow full access to export markets.

The [Canadian Vintners Association](#) claimed that Canada's wine sector must "grow domestically to be able to take advantage of the opportunities that the TPP has to offer us." It mentioned that reducing barriers to internal trade in wine products, as well as federal support for wine innovation and infrastructure, would allow Canadian wine producers to increase their domestic sales.

A number of witnesses described labour shortages in Canada's export-oriented agricultural sectors. For example, a brief submitted to the Committee by the [Canadian Agricultural Human Resource Council](#) stated that such shortages are resulting in lost export opportunities for agricultural producers and primary processors. In commenting on labour challenges that it has faced, [Victoria Co-Operative Fisheries Ltd.](#) said that, "[i]n finding workers, our only experience to date was the temporary foreign worker program. It's a very costly process.... Reduce the cost. Reduce the red tape.... The opportunity is here with these free trade agreements to increase production, but we need more people in our rural communities."

Manufacturing

According to Global Affairs Canada, the TPP would eliminate "all tariffs on Canada's exports of industrial products, including metals and minerals, chemicals and plastics, industrial machinery, agricultural and construction equipment and information and communications technologies."³⁰

The Committee's witnesses provided different perspectives on the likely effect of the TPP on Canada's manufacturers. [Canadian Manufacturers & Exporters](#) said that it supports Canada's "entry into and the signing, in principle," of the TPP for two reasons: Canada's domestic market is too small to ensure the success of Canadian manufacturers that rely on exports; and the TPP would both include Canada's largest trading partners and provide significant new market access opportunities. It also mentioned that some of its members have concerns about the TPP's automotive rules of origins, asynchronous

29 According to [Agriculture and Agri-Food Canada](#), Growing Forward 2 is a five-year "policy framework" for the Canadian agricultural and agri-food sector; it began in 2013. It consists of \$3 billion in federal and provincial/territorial investments, including \$1 billion for "generating market-based economic growth in the agricultural sector."

30 Global Affairs Canada, *Opening markets for industrial goods and consumer products*, 7 October 2015. This information can be found at the [Internet Archive](#).

phase-out of tariffs on U.S. and Canadian imports for certain products, and lack of provisions to restrict U.S. government “Buy American” procurement policies.

A number of witnesses representing Canada’s manufacturing sector told the Committee that the TPP lacks enforceable rules that would prevent signatory countries from manipulating their currencies, and some called for enforceable currency disciplines to be included in the TPP. Specifically, [Ford Motor Company of Canada Limited](#) said that “[c]urrency manipulation is perhaps the most significant trade barrier and risk that Canadian exports from any sector face around the world.” [It](#) suggested that the International Monetary Fund’s principles of currency manipulation be codified within the TPP. [It](#) also proposed that the TPP include a remedy for currency manipulation, whereby affected countries could increase their tariff rates on goods imported from the manipulating country until the manipulation ends.

On the issue of currency manipulation, [His Excellency Kenjiro Monji](#) indicated: “I understand that the currency matter is not directly linked within the TPP, but authorities of the TPP participating countries have been discussing those matters in order to strengthen the coordination on the macro-economies and currencies. I think many people welcome this.”

In addition to these general comments about Canada’s manufacturing sector, the Committee’s witnesses specifically mentioned Canada’s automobile and auto parts manufacturing sector, as well as various non-automotive manufacturing sectors.

Automobile and Auto Parts Manufacturing

Witnesses representing Canada’s automobile and auto parts manufacturing sector provided various perspectives about the manner in which that sector could be affected by the TPP. Their largest areas of disagreement focused on the potential implications for the sector of three specific aspects of the TPP: the significance of the new market access opportunities for Canadian automobile manufacturers; the rules of origin for automobiles and auto parts; and the five-year phase-out of Canada’s 6.1% tariff on foreign automobiles.

Some witnesses said that the TPP would not provide Canada’s automobile manufacturers with significant opportunities to increase their exports, including to Japan. According to a brief submitted by [Ford Motor Company of Canada Limited](#), “the TPP does not deliver any incremental or meaningful new opportunities to increase Canadian produced vehicle exports by reducing tariffs in the markets that represent the overwhelming majority of new vehicle sales because the duty rate for these markets is already 0%.” Similarly, the [Canadian Vehicle Manufacturers’ Association](#) told the Committee that the TPP would not increase Canadian automobile exports “in any meaningful manner” without specific changes to the TPP.

Some witnesses pointed out that, even though Canadian automobile exports to Japan do not currently have any tariffs applied on them, very few Canadian automobiles are exported to that country. For example, [Ford Motor Company of Canada Limited](#)

claimed that, in 2014, 142,830 vehicles were produced in Japan and sold in Canada, despite being subject to a 6.1% tariff, a figure that can be compared to the 624 vehicles that were exported tariff-free from Canada to Japan.

Regarding access to the Japanese automobile market, [Unifor](#) highlighted non-tariff barriers that constrain Canadian automobile exports to Japan. It observed that “Japan manipulates their currency better than anybody. That's why their export industry, especially in auto, is so successful. On top of that they have a culture whereby if you buy an imported vehicle, there are frequently taxation issues, and there's a whole culture of making sure they buy Japanese vehicles within Japan.”

A brief submitted to the Committee by the [Japan Automobile Manufacturers Association of Canada](#) provided a different point of view, and denied the existence of barriers that limit Japan's imports of foreign automobiles. According to it, North American automobile manufacturers do not produce many models of small cars, which are popular in Japan. It claimed that approximately 90% of Japanese passenger car sales are “very small cars,” with engines under 2,000 cubic centimeters; in 2014, Detroit-based companies had only 10 models in that market segment.

The economic impact assessment of the TPP that Global Affairs Canada submitted to the Committee estimated that the TPP would reduce Canadian automotive exports to the United States.³¹ According to the assessment, “[l]iberalization of the U.S. and Mexican markets for other TPP members would erode the preferences that Canada currently enjoys under the NAFTA, resulting in a displacement of Canada's exports to the U.S. and Mexico.”³² The assessment states that, “[w]ith more than 80% of Canadian automotive production exported to the US, Canadian automotive production will experience a decline” as a result of the TPP.³³ It mentions that this decline would occur regardless of whether Canada implements the TPP.³⁴

Regarding automotive rules of origin, the economic impact assessment of the TPP submitted to the Committee by Global Affairs Canada described the regional value content rules for auto parts and automobiles.³⁵ According to that assessment, for certain categories of auto parts, at least 30%-45% of an auto part's contents would have to originate from within the TPP region in order for that part to qualify for the TPP's preferential tariff rates; for vehicles, the percentage would be 45%. In contrast, the assessment notes that NAFTA requires at least 62.5% of an automobile's content to originate from the NAFTA region in order for it to receive preferential tariff treatment.

31 Global Affairs Canada, [Economic Impact of Canada's Potential Participation in the Trans-Pacific Partnership Agreement](#), 2016.

32 Ibid.

33 Ibid.

34 Ibid.

35 Ibid.

A number of witnesses indicated that they would have preferred the TPP to have higher regional value content percentages. Some, such as [Unifor Local 444](#), claimed that the TPP's rules of origin could encourage automobile manufacturers to conclude new sourcing arrangements with suppliers in low-wage jurisdictions.

In addition, according to the [WindsorEssex Economic Development Corporation](#), the TPP could encourage some auto parts manufacturers to establish operations outside Canada and conclude sourcing arrangements abroad. It stated the following:

[Tier 1 auto parts producers], which have a larger footprint and resources from deep pockets to set up an operation in some of the low-cost countries, will benefit [from the TPP]. The small and medium-sized companies that are located here, and don't have available resources, will not benefit... [E]ven if the large companies benefit, the benefit is not going to come to [the] local economy, because when they benefit, they're likely going to source the products from some of those offshore countries.

Similarly, the [Automotive Parts Manufacturers' Association](#) said that, "[e]ven though some of the larger billion-dollar Canadian tier one companies are going to possibly benefit from getting new customers, they will benefit from getting those customers somewhere else, hiring people in other countries, and sourcing goods in those countries to make those parts to build those cars."

According to [Magna International Inc.](#), the expected net impact of the TPP on its consolidated global operations would be neutral. However, it also mentioned the following:

Through increased competition and reduced regional value content rules, it is expected there will be additional pressure on automotive parts manufacturers within Canada where facilities are producing products that are low value, labour intensive, cost sensitive, and can be officially transported for export purposes. The impact on [SMEs] with limited access to capital and challenged mobility may be greater than that on Magna.

Global Affairs Canada's economic impact assessment of the TPP estimated that, if Canada implements the TPP, the rules of origin could allow an additional US\$1.8 billion of auto parts to be imported into Canada from non-TPP countries.³⁶ This increase would partially offset a decrease in automotive product imports from NAFTA countries that would result from the erosion of NAFTA preferences in Canada if Canada ratifies the TPP.³⁷

The [Japan Automobile Manufacturers Association of Canada](#) told the Committee that high regional value content percentages result in less sourcing flexibility for automobile manufacturers, implying that a reduction in regional value content percentages would lead to additional sourcing flexibility for these manufacturers. [It](#) also said the following:

[A]s most automakers embrace 'just-in-time' or lean manufacturing, as well as a business philosophy of 'build where we sell' in close proximity with key suppliers, the auto parts

36 Ibid.

37 Ibid.

industry in Canada does well when automakers' plants in Canada are strong and have flexible rules [of origin] that allow them to compete globally.

Regarding employment in Canada's automobile and auto parts manufacturing sector, [Unifor](#) mentioned that the TPP's regional value content requirements could lead to an estimated loss of 20,000 Canadian jobs in that sector. However, in a brief submitted to the Committee, the [Japan Automobile Manufacturers Association of Canada](#) noted that an analysis by the Mowat Centre's Mike Moffatt criticized the assumptions used in Unifor's analysis.

Even though the United States' decision to withdraw as a signatory to the TPP makes the following scenario unlikely, some witnesses described the possible implications of the TPP's regional value content rules for Canadian automobile and auto parts manufacturers in the event that the TPP enters into force without being ratified by Canada. The [Cross-Border Institute](#) claimed that, in this case, the operation of cross-border supply chains would be more difficult for Canadian producers. Moreover, [Mr. Herman](#) predicted that, if Canada does not ratify the TPP, automobile manufacturers would move to Mexico, where they could more easily export automobiles duty-free to the United States as a result of the TPP's regional value content rules.

According to Global Affairs Canada's economic impact assessment of the TPP that was submitted to the Committee, if the TPP enters into force, non-ratification by Canada would provide U.S. manufacturers with a disincentive to purchase inputs from Canadian auto parts manufacturers because doing so would make it more difficult for the final product to meet the TPP's regional value content rules.³⁸ The assessment concluded that, if the TPP enters into force without implementation by Canada, Canadian automotive production and investment would decline more than it would if Canada implemented the TPP.³⁹

Many witnesses mentioned the different phase-out periods for Canadian and U.S. automobile tariffs contained in the TPP. They noted that, for Canada, these tariffs would be phased out over five years; for the United States, tariffs on cars and trucks would be phased out over 25 years and 30 years respectively. A brief submitted to the Committee by the [Canadian Vehicle Manufacturers' Association](#) stated that "[t]he differences between Canada and U.S. terms for auto tariff reduction time periods will compromise the economic rationale for auto assembly and supply chain investments to be made in Ontario and Canada." It also suggested that the TPP's phase-out period for tariffs on imports of Japanese automobiles be long, back-ended and commensurate with the timeline for the phasing out of U.S. tariffs on automobile imports. [Ford Motor Company of Canada Limited](#) made a similar proposal.

However, according to the [Japan Automobile Manufacturers Association of Canada](#), as a result of the FTA between Canada and South Korea and conditional on the Canada–EU CETA's entry into force, Canada's foreign vehicle import tariffs would apply

38 Ibid.

39 Ibid.

only to Japanese-built vehicles if the TPP or an FTA between Canada and Japan did not enter into force. It indicated that, “[w]ith no Korean or European auto plants in Canada, this [tariff policy] is not only unfair, but also sends a negative message to Japanese investors with significant Canadian manufacturing operations.”

In addition, the [Japan Automobile Manufacturers Association of Canada](#) observed that eight out of every ten vehicles sold in Canada by its members are manufactured in North America, while the remaining two are imported from Japan. It remarked that “the elimination of tariffs into the Canadian marketplace will have little or no impact on the manufacturing base here in Canada.”

Finally, a brief submitted to the Committee by the [Automotive Industries Association of Canada](#) claimed that aftermarket parts manufacturers “could be helped by tariff-free access to TPP countries,” but also mentioned that they could be “hurt by increased import competition.” However, it said that, “[b]ecause the volume of Canadian trade in auto parts to countries other than the United States and Mexico (with whom Canada already has a free trade agreement) is currently quite small, these impacts are unlikely to be large.”

Other Manufacturing

Numerous witnesses representing Canadian manufacturing businesses in sectors other than the automobile and auto parts manufacturing sector – including chemicals, forestry and marine – suggested that the TPP would increase their access to foreign markets. As well, the Committee heard from some witnesses, including labour groups and steel producers, about the potential for negative TPP-related impacts on Canada’s non-automotive manufacturing sectors.

The [Chemistry Industry Association of Canada](#) mentioned that the TPP would increase the ability of Canada’s chemicals manufacturers to access Australia’s and Japan’s chemicals markets. In addition, a brief submitted to the Committee by the [National Marine Manufacturers Association Canada](#) commented that most of Canada’s marine manufacturers would benefit from the TPP’s tariff eliminations and reductions, as would their consumers and workers.

According to the [Forest Products Association of Canada](#), the TPP’s new market access opportunities would allow forest product producers to diversify their export markets. It explained that the forestry sector “learned the hard way with some of the downturns in the U.S. housing market over the years that we could not continue to rely heavily on the U.S.”

The [Canadian Association of Railway Suppliers](#) claimed that the TPP could provide railway suppliers with increased export opportunities. It also mentioned that the TPP could increase the amount of goods shipped on Canadian railways, thereby raising the demand for railcars, locomotives and rail infrastructure in Canada “to support increased exports to the Asia-Pacific region.”

The Committee also heard about the TPP’s possible negative effects on the non-automotive manufacturing sector. According to the [Canadian Association of Railway](#)

[Suppliers](#), some railway suppliers are concerned about Canada's ability to have fair trade in manufactured goods with countries that have different labour, environmental or tax enforcement policies than Canada. It said that "open trade" with low-wage TPP countries could have "unintended consequences for existing Canadian rail manufacturing suppliers."

The [United Steelworkers](#) maintained that the TPP would "further lock the Canadian economy into a pattern of unprocessed raw materials [exports], particularly from our forestry and mining sectors, because the agreement renders it more difficult for governments to implement job creation strategies to process raw materials domestically." In addition, [Unifor](#) claimed that a TPP side letter between Canada and Japan might require Canada to issue permits upon request for the exportation of logs to Japan, possibly affecting Canadian sawmills that transform logs into processed wood products.

In a brief submitted to the Committee, the [Canadian Steel Producers Association](#) asserted that "it is highly unlikely" that the TPP would increase Canada's steel exports to Asia due to that region's "massive production capacity surplus." Moreover, it stated that the elimination of Canada's automobile tariffs would likely increase Canadian imports of Asian-built vehicles, especially from Japan, "further displacing domestic production and reducing demand for [Canadian-produced] steel." It made several proposals designed to assist Canada's steel producers, including an acceleration of the modernization of the country's trade remedy system to mitigate injury to Canadian manufacturers from dumped and subsidized imports.

TRADE IN SERVICES

With some exceptions, [Chapter 10](#) of the TPP would require a country to provide national treatment and most-favoured-nation treatment to service suppliers of any other TPP country. As well, except in certain circumstances, each TPP country would be prohibited from establishing restrictions in three areas: the number of service suppliers operating in its territory; the quantity of service output in its territory; and service employment in its territory. With limited exceptions, a TPP country could not require that service suppliers establish a local presence before engaging in cross-border trade in services. Except in specific circumstances, TPP countries would be required to allow cross-border payments for services to be made without delay and at the market exchange rate.

According to Global Affairs Canada, Chapter 10 of the TPP includes obligations to secure current and future levels of liberalization in the service sector.⁴⁰ Among other things, the chapter includes a provision that would ensure that certain commitments by TPP countries are locked-in based on their current domestic regime (known as a "standstill" mechanism). It also has a provision that would ensure that, if any TPP country liberalizes certain laws, policies or regulations that make it easier for foreigners to provide

40 Global Affairs Canada, *Cross-Border Trade in Services Chapter*, 2015. This information can be found at the [Internet Archive](#).

their services or conduct their investment activities in that market, the liberalization becomes that country's obligation under the TPP (known as the "ratchet" mechanism).⁴¹

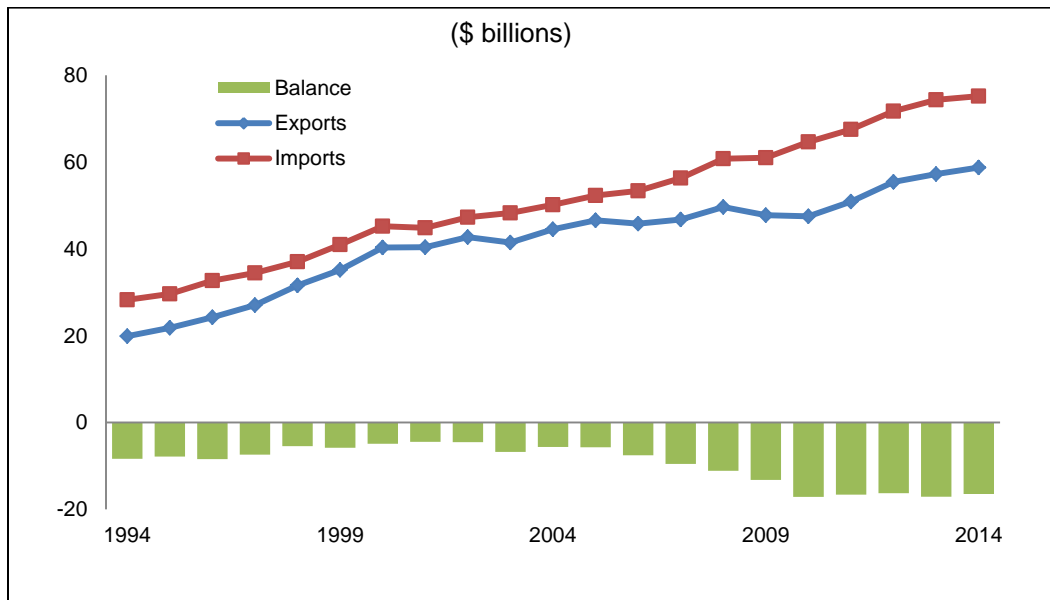
Some witnesses, including the [Canadian Union of Public Employees](#), the [Canadian Labour Congress](#) and [Citizens against CETA](#), expressed their opposition to the "standstill" and "ratchet" provisions in the TPP. According to them, these provisions would threaten public services in Canada. For example, the [Canadian Labour Congress](#) said that "[t]he TPP chapter on public services locks-in the current level of privatization with so-called ratchet and standstill clauses. This makes it more difficult for governments to introduce new public services such as pharmacare or child care without subjecting themselves to ISDS claims."

As with most FTAs concluded by Canada, the TPP contains a chapter that specifically addresses financial services. Subject to registration requirements, [Chapter 11](#) would require a TPP country to allow financial institutions located in the other TPP countries to provide specific services to clients in its territory, and to supply new financial services that it would allow its own financial institutions to provide. Regarding the regulation of financial institutions, Chapter 11 states that TPP countries would not be prevented from adopting or maintaining measures to protect depositors or the stability of the financial system.

Services are a relatively small, but growing, part of Canada's international trade. The value of total services trade between Canada and the other TPP countries was \$134.0 billion in 2014, the most recent year for which data are available. As illustrated in Figure 3, this amount comprised \$58.8 billion in Canadian exports to, and \$75.2 billion in imports from, those countries in that year. As with merchandise trade, the United States is Canada's largest services trade partner within the TPP. In 2014, 89.6% of the value of Canadian services exports to the other TPP countries was destined for the United States, while 89.3% of the value of Canadian services imports from those countries originated from the United States.

41 *Ibid.*

Figure 3 – Value of Canada’s Services Trade and the Services Trade Balance with the Other Trans-Pacific Partnership Countries, 1994–2014



Note: Because data for Canada’s services trade with Brunei Darussalam and Peru are not available for 2014, the value of Canada’s services trade with them is not included in the figure.

Source: Figure prepared based on Statistics Canada data.

Even though the service sector is an important component of Canada’s economy, the topic of cross-border trade in services among TPP countries was addressed by only a limited number of the Committee’s witnesses. Generally, those who commented on the potential impacts on Canada of the TPP’s provisions on trade in services focused on either the export opportunities that the TPP would provide to Canadian service providers, or the risks for public and social services that could result from implementation of the TPP.

Regarding the export opportunities that the TPP could provide to Canadian service providers, some witnesses – including the [Business Council of Canada](#) and [Scotiabank](#) – said that financial service providers would benefit the most from the TPP. The [Asia Pacific Foundation of Canada](#) pointed out that Canadian financial service providers already do well in Asia, and that the removal of trade barriers in financial services would benefit Canadian banks and insurance companies.

In a brief submitted to the Committee, the [Canadian Life and Health Insurance Association](#) suggested that the TPP would provide Canadian insurance companies with significant opportunities because it would provide both “strong [and] transparent rules to govern international trade” in the Asia-Pacific region and new access to high-growth markets. It also observed that Canadian life and health insurers rely on secure and uninterrupted flows of data across borders for a number of commercial and back-office functions, such as client services and product development. In that regard, it commented that the TPP’s provisions that would limit the adoption of measures restricting cross-border data transfers, as well as those that would prohibit data localization requirements and the

imposition of tariffs on electronic commerce, demonstrate that the TPP would both be innovative in a number of areas and establish “new, market-oriented rules.”

A brief submitted to the Committee by the [Internet Association](#) highlighted that “[t]he free flow of data is helping Canadian businesses of all sizes provide seamless digital services around the world.” It noted that the TPP’s commitments in relation to electronic commerce, which would both promote the free flow of information and data, as well as restrict mandates on local data storage requirements, would be the highest internationally agreed standard to date. In its view, the “TPP will allow companies ... to move data as they see fit, with appropriate protections, including for privacy.”

The [Canadian Architectural Licensing Authorities](#) noted that the TPP would make it easier for Canada and the other TPP countries to negotiate mutual recognition agreements regarding licensure of specific professions. For example, [it](#) said that “[t]he TPP ... would facilitate us in negotiating more of these [mutual recognition agreements]. Last year we had discussions with Japan, and subsequently they’ve indicated they would only move forward with the [mutual recognition agreement] once the TPP has been ratified.”

Some witnesses also expressed concerns about trade in services in the context of the TPP. For example, certain witnesses indicated that the “negative list” approach that was used to develop the services commitments, whereby all services are covered except for specific exemptions, would prevent Canada from excluding certain services in the future, even if those services are designed for a public purpose. The briefs submitted to the Committee by the [B.C. Government and Service Employees’ Union](#), the [Health Sciences Association of B.C.](#), the [Health Sciences Association of Alberta](#) and the [Ontario Public Service Employees Union](#) addressed the issue of protecting public services and the “negative list” approach, and indicated that:

[w]hile Canada has negotiated a reservation for services that are deemed to serve a public purpose, the list of social services outlined in Annex II of the agreement is extremely limited. Not only does the list fail to include the variety of ancillary services that support the functioning of those [social services included in Annex II], but any unanticipated services that are deemed to serve a public purpose in the future will not be protected by this reservation.

The [New Brunswick Union of Public and Private Employees](#) also asserted that various ancillary services that ensure the ongoing functioning of social services are not excluded from the scope of the TPP. It noted that ancillary health services, such as cleaning services, maintenance and administration, would therefore be subject to the TPP’s provisions.

Similarly, the [Canadian Nurses Association](#) observed that the private-sector training that is currently provided to nurses would fall outside the scope of the TPP’s reservation in Annex II. In that context, it identified its concerns about a new registration exam for nurses that has been produced by a U.S.-based private-sector organization. In its view, this new exam has been poorly translated into French, has a paucity of preparatory materials for francophone students, and lacks alignment with the competencies required for nursing in

Canada's health care system. It believed that, as a result of the TPP, policy-makers could prefer not to address the exam's possible deficiencies because of a fear of litigation.

In a brief submitted to the Committee, the [Canadian Union of Postal Workers](#) pointed out that Chapter 10 of the TPP includes a "detailed annex on 'Express Delivery Services' which would impose far more explicit constraints on government authority concerning postal services and the activities of Canada Post than do those in NAFTA or the [WTO's General Agreement on Trade in Services]." In its view, "[t]hese new rules would not only limit the ability of Canada Post to expand current services such as those of Xpresspost and its subsidiary Purolator, but would threaten its ability to maintain its current business model of integrated express delivery and letter mail services." It also noted that, when combined with such other provisions as those related to state-owned enterprises and ISDS, these proposed constraints would "put at serious risk the ability to Canada Post to continue to provide high quality mail and package services to Canadians regardless of where they live, and to remain a financially viable public service."

TEMPORARY ENTRY FOR BUSINESS PERSONS

The TPP contains commitments that would allow temporary entry of business persons from certain TPP countries into certain other TPP countries. It would include types of business persons not covered by previous FTAs negotiated by Canada, such as workers in specific trades-related occupations.

[Chapter 12](#) of the TPP outlines commitments regarding temporary entry of business persons to TPP countries. Canada's annex specifies the conditions and limitations for entry and temporary stay, including length of stay, for different categories of business persons from selected TPP countries. Canada would provide temporary entry commitments in relation to four categories of business persons: business visitors; intra-corporate transferees; investors; and professionals and technicians. These Canadian commitments would generally apply to business persons from TPP countries that have made specific commitments regarding temporary entry of certain Canadian business persons. All TPP countries except the United States have made commitments regarding temporary entry of business persons.

[Global Affairs Canada](#) told the Committee about what it characterized as the careful approach that Canada took during TPP negotiations about temporary entry of professionals. It explained that Canada's commitments in relation to professionals would apply only to those who have a pre-existing contract, such as an offer of employment, and a certain education standard. [It](#) also highlighted that highly skilled professionals would have to "receive a salary that meets the prevailing salary for that level of professional with that level of experience in the Canadian marketplace, in that region, whether it's Alberta, Toronto, or Victoria" in order for Canada to grant them temporary entry under the TPP.

Some witnesses identified opportunities for Canadian businesses to use the TPP's labour mobility provisions to send experts, workers and technicians abroad to complete contract work in TPP countries. According to [Mr. Herman](#), the TPP would allow Canadian companies to transfer technicians, employees and experts to foreign countries, which he

said cannot occur at present. According to him, “that’s of great benefit to Canadian employees and a great boon for Canadian jobs.”

The Committee was informed that the TPP’s provisions regarding temporary entry of business persons could help Canadian sectors that face labour shortages. According to [Global Affairs Canada](#), as part of the Government TPP consultations, they “... also heard from certain business stakeholders about the difficulty they encounter in finding qualified personnel to perform their work and who welcomed the opportunity that trade agreements afford them in facilitating recourse to qualified short-term foreign workers for specific needs.” That said, [it](#) also noted that, under the TPP, “facilitated access into Canada would be limited to high-skilled business persons who have either invested substantial capital, or who have pre-arranged contracts or employment offers in Canada.”

[Québec International](#) highlighted another benefit that could result from increased labour mobility among TPP countries: a better understanding of cultures and languages in the TPP region. It commented that, in turn, this better understanding could lead to more innovative products that are better adapted to local preferences in TPP countries.

Notwithstanding these potential benefits, most of the Committee’s witnesses who commented on temporary entry of business persons – in person, or through a brief or email – mostly focused on the potential for the TPP to disrupt the Canadian labour market. Their most common concern was the following provision included in Canada’s schedule of commitments for temporary entry for business persons: “Canada shall grant temporary entry and provide a work permit or work authorisation to Professionals and Technicians and will not: (a) require labour certification tests or other procedures of similar intent as a condition for temporary entry; or (b) impose or maintain any numerical restriction relating to temporary entry.”⁴²

According to the [Alberta Federation of Labour](#), that provision would mean that Canadian governments could not impose a needs test on employers that want to bring temporary workers into Canada. In its view, “foreign workers covered by Canada’s commitments under the TPP will be entitled to take jobs in Canada even if Canadian workers are readily available to fill those jobs and regardless of the prevailing unemployment rate.”

In the context of Chapter 12 of the TPP, the [Council of Canadians](#) contended that the inability to apply a labour market impact assessment as a precondition for gaining entry to the country and receiving a work permit would remove Canada’s ability both to regulate its labour market and to control the number of foreign workers who enter Canada. It stated that these “problematic” features of the TPP would result in Canadian workers having to compete with foreign workers for jobs in Canada, regardless of employment status.

Furthermore, some witnesses claimed that Canada made commitments in the TPP regarding workers in certain trades that it did not make in other FTAs. According to

42 Global Affairs Canada, [Canada’s schedule of commitments for temporary entry for business persons](#), 2016.

[Canada's Building Trades Unions](#), “[n]ever before have hands-on workers like people in the building trades been directly named or affected in a Canadian trade deal. No one understands how the immigration provisions in the TPP will impact the Canadian worker. No one knows how many Japanese or Chilean construction contracting companies will come with their own workforce. No one knows because Canada has never tried this before.”

The [United Steelworkers](#) made a similar point, and suggested that – compared to Canada’s previous FTAs – the occupational coverage of professionals and technicians in the TPP is broader and includes lower-skilled workers. According to it, this broader coverage would have a significant impact on certain trades, such as carpenters and mechanics.

However, [Global Affairs Canada](#) told the Committee that Canada’s TPP commitments regarding temporary entry of business persons are similar to those in Canada’s recent FTAs. In its view, these FTAs have not led to significant increases in the number of foreign workers entering Canada. It explained that Canada’s FTAs with South Korea, Peru and Colombia resulted in a total of 13, 14 and 45 entrants, respectively, entering Canada from those countries in 2015.

Although certain other TPP countries made commitments regarding temporary entry of certain Canadian professionals and technicians, some witnesses claimed that few Canadians would take advantage of opportunities to work in the other TPP countries. For example, the [International Union of Operating Engineers](#) predicted that Canadian construction workers would not travel abroad in any significant number to any other TPP country for work opportunities. It commented that, “[b]esides language issues, most of these countries have much lower safety and work standards, and the pay is significantly less than construction workers receive in Canada. Why, then, would our workers want to travel to these countries for work?”

According to the Committee’s witnesses, the United States is the country that could be of greatest interest to Canadian construction workers, and the country to which most Canadian contractors go when they work abroad, but it did not make any commitment regarding temporary entry of business persons. The [International Brotherhood of Electrical Workers](#) commented that “[o]ne country that is noticeably missing from [the] agreement, though, happens to be Canada's largest trading partner, the United States of America. Obviously, they saw no value in it for them, so what's in it for us?”

[Canada's Building Trades Unions](#) suggested that Canada’s commitments regarding the entry of construction workers from TPP countries would jeopardize the ability of domestic workers to benefit from Canadian procurement in relation to infrastructure projects. According to it, “[a]s it stands right now, while foreign companies can win and build projects here, a Canadian workforce must actually be used to build it. The TPP changes that. Under the TPP provisions, when a foreign company wins a bid, workers in Ontario or other provinces have no guarantee that they will have access to those jobs, and the public infrastructure funding, from Canadian taxpayers by the way, goes overseas, not back into our own economy.”

However, in a brief submitted to the Committee following its appearance, [Canada's Building Trades Unions](#) noted that, “[t]hrough there is the possibility of an influx of international labour due to the TPP, it is important to keep in mind that, according to BuildForce Canada, in order to meet the overall labour requirements and market demand from 2016 to 2025, the construction industry will have to recruit 35,000 workers from other industries or from outside Canada.”

Some witnesses asserted that Canada's TPP commitments regarding temporary entry of business persons would affect the safety of the general public, as well as workers on construction sites in Canada. The [International Union of Operating Engineers](#) told the Committee that the categorization of certain occupations in Chapter 12 of the TPP could be too broad. In its view, “a contractor could be allowed to perform heavy equipment work, which means we could potentially have poorly trained, under-qualified crane operators working in our country.” It also mentioned that there are no requirements in the TPP that would force a potential construction worker to speak English or French, and indicated that such a situation would be very dangerous because workers may not be able to communicate with and understand each other while moving and operating heavy, large pieces of equipment.

However, regarding the qualifications of workers in Canada, [Global Affairs Canada](#) indicated that – in the context of the TPP – “[w]hat is asked of Canadians is also asked of foreigners.” Similarly, [Canada's Building Trades Unions](#) commented that, “even once a worker has a clear lane to enter the workforce through the TPP and a completed immigration formality, he or she must meet all applicable licensing, testing, and other requirements necessary to practice a profession in the relevant jurisdiction.”

INVESTMENT PROTECTION

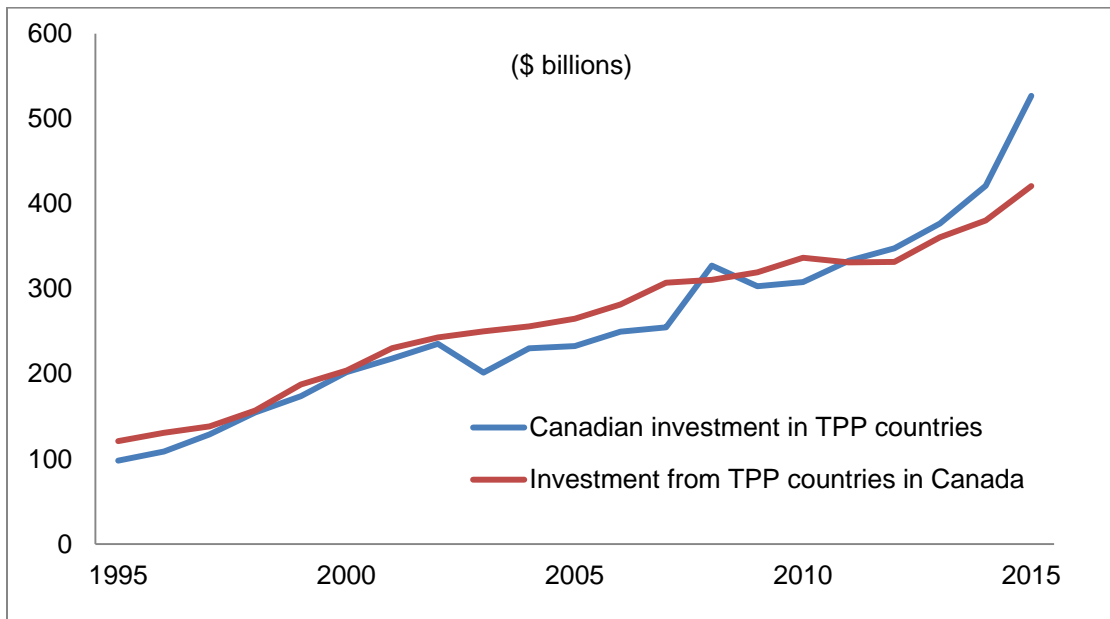
Overall Impact of Investment Provisions

The investment protection provisions in [Chapter 9](#) of the TPP contain commitments to treat investors from the other TPP countries fairly and equitably, and in a non-discriminatory manner. It would require TPP countries to pay compensation in some cases if they do not respect their obligations under Chapter 9, and to ensure that investment-related capital transfers occur freely and without delay.

As illustrated in Figure 4, the stock of Canadian direct investment in the other TPP countries was valued at \$526.9 billion in 2015, while the stock of direct investment in Canada from those countries totalled \$420.8 billion.

Like trade in goods and in services, the United States is Canada's largest source of – and destination for – foreign direct investment among the TPP countries. In 2015, 85.7% of the stock of Canadian direct investment in the other TPP countries was in the United States, while 92.2% of the stock of direct investment in Canada from the other TPP countries originated from the United States.

Figure 4 – Stock of Foreign Direct Investment, Canada and Trans-Pacific Partnership Countries, 1995–2015



Note: “TPP” is the Trans-Pacific Partnership. Data for some countries are not available for all years.

Source: Figure prepared based on Statistics Canada data.

According to [Canpotex](#), investment provisions found in FTAs – such as the TPP – help to create a level playing field so that Canadian companies can expect clarity and predictability in foreign markets. It also indicated that there is “value in having a set of agreed-upon rules between countries that include consequences for non-compliance.”

Similarly, the [Western Grain Elevator Association](#) observed that the TPP’s ISDS provisions signal to investors that their investments would be protected from unpredictable government actions in the other TPP countries. In its view, “[w]e need to know the ground upon which we’re making these investments is not shifting on an ongoing basis. We have to be able to predict the environment in which we’re investing, and understand that, for a number of reasons, it can change, but it can’t change on a whim, and it can’t change in a manner that harms the underlying premises under which we made our investments, and that were predicated by government decisions.”

However, the University of Toronto’s [David Schneiderman](#), who appeared as an individual, questioned the notion that investment treaties provide security to Canadian investors abroad and enhance the investment climate in countries that sign these treaties. According to him, “[n]either claim is actually borne out by the evidence. A meta-analysis that has been done of all the empirical data,⁴³ [which involved] looking at the correlation between signing investment treaties and attracting new inward investment, reveals that the correlation is so economically negligible as to be non-existent.” Believing that Canada

43 A meta-analysis is a procedure for integrating the results of multiple studies.

could “safely do without investment treaties,” he suggested that an independent evaluation of investment treaties or investment chapters within FTAs be undertaken.

Some witnesses told the Committee that, rather than removing obstacles to international trade, the main focus of recent FTAs – such as the TPP – is protecting investor rights. According to the [Social Justice Cooperative of Newfoundland and Labrador](#), “[a]t its core, TPP is less about increasing trade and more about securing corporate investor rights.”

Investor–State Dispute Settlement Mechanism

The TPP’s ISDS provisions are consistent with similar provisions found in most of Canada’s bilateral investment treaties and FTAs, including NAFTA.⁴⁴ That said, the TPP’s investment chapter contains provisions that are designed to reflect some of the lessons learned by TPP countries from their experiences with ISDS mechanisms. For example, according to the TPP, frivolous claims could be dismissed expeditiously and a claimant would be prevented from pursuing a claim in parallel proceedings.

Most of the Committee’s witnesses who discussed the TPP’s investment provisions focused on the proposed ISDS mechanism. Some predicted negative consequences for Canada, and thought that giving foreign investors the right to access international arbitration could be costly for the Government and would weaken democracy in the country.

[Global Affairs Canada](#) stated that, as part of its consultations on the TPP, the Government heard concerns from many Canadians about the scope and application of the TPP’s ISDS mechanism, specifically the possibility that the proposed ISDS provisions would allow corporations to sue the Government of Canada if a regulation or law interferes with their business practices or leads to a potential loss in profit. In its view, many Canadians are “concerned that the TPP’s ISDS mechanism could prevent the government from regulating in the public interest.” However, it pointed out that some Canadians supported the TPP’s ISDS provisions, believing that “binding investment rules, predictable market access and dispute settlement mechanisms help enhance the international investment climate.”

Some of the Committee’s witnesses suggested that the frequency with which investors have brought ISDS proceedings against Canada in the context of existing FTAs – particularly NAFTA – and the outcomes of these proceedings provide reasons to oppose the TPP’s ISDS mechanism. The [Trade Justice Network](#) provided the following comment:

Canada is now the most sued developed country under ISDS. There have been 35 investor-state claims against Canada under NAFTA, and the number continues to grow. We’ve lost

44 All 34 of Canada’s bilateral investment treaties and 7 of the country’s 12 FTAs that have entered into force include this mechanism. These 12 FTAs include the *Canada–United States Free Trade Agreement*, which has been superseded by NAFTA and which does not contain an ISDS mechanism. As of 28 February 2017, neither the bill to implement the Canada–EU CETA, nor the bill to implement the FTA between Canada and Ukraine has received Royal Assent.

six claims and have paid out more than \$200 million in taxpayers' money in penalties. Canadians have also paid out tens of millions of dollars in legal fees in defending these claims. ... As NAFTA expands into the TPP with the addition of nine more countries, Canada runs the risk that our negative investor-state experience with NAFTA will expand several times over as well.

To date, Canada has received 40 notices from investors indicating their intention to submit a dispute to arbitration.⁴⁵ With one exception, all notices were submitted under NAFTA's Chapter 11.⁴⁶ Of these 40 notices, 26 cases went to arbitration,⁴⁷ and Canada was ordered to pay damages in 4 cases: C\$6 million plus costs to S.D. Myers Inc. in 2000; US\$460,000 plus costs to Pope & Talbot Inc. in 2012; C\$13.9 million plus interest to Mobil Investments Canada Inc. and C\$3.4 million plus interest to Murphy Oil Corporation in 2016; and C\$25 million to Windstream Energy LLC in 2016.⁴⁸

The Government also settled two cases before a NAFTA Chapter 11 tribunal could make a determination. Accordingly, it paid US\$13 million to Ethyl Corp. in 1998 and C\$130 million to AbitibiBowater Inc. in 2010.⁴⁹

While these awards are considerable, it is worth noting that the foreign direct investment stock in Canada reached \$768 billion in 2015. Of this amount, \$388 billion was from the United States – the country of origin of all investors that have filed a complaint against Canada to date, except one.⁵⁰ In 1994, the year that NAFTA entered into force, the stock of foreign direct investment in Canada totalled \$155 billion, \$103 billion of which originated from the United States.⁵¹

A number of witnesses noted the possibility of cases being initiated under the TPP's ISDS mechanism and speculated that the resulting financial liability could create a "regulatory chill," or a reluctance by governments to make new regulations. [Chris Brand](#), who appeared as an individual, asserted that "[t]he presence of ISDS mechanisms and the increasing willingness of foreign corporations to use or threaten to use them act as a

45 See: Global Affairs Canada, "[Cases Filed Against the Government of Canada](#)," NAFTA – Chapter 11 – Investment, 22 November 2016 and Global Affairs Canada, "[Global Telecom Holding S.A.E. v. Government of Canada](#)," 28 June 2016.

46 Ibid.

47 United Nations Conference on Trade and Development, "[Investment Dispute Settlement Navigator](#)" (database), consulted 16 February 2017.

48 Global Affairs Canada, "[Mobil Investments Inc. and Murphy Oil Corporation v. Government of Canada](#)," NAFTA – Chapter 11 – Investment: Cases Filed Against the Government of Canada; Government of Ontario, "[NAFTA Chapter 11 Challenge In the Matter of Windstream Energy LLC v. Government of Canada](#)"; Global Affairs Canada, "[S. D. Myers Inc. v. Government of Canada](#)," NAFTA – Chapter 11 – Investment: Cases Filed Against the Government of Canada; and Global Affairs Canada, "[Pope & Talbot Inc. v. Government of Canada](#)," NAFTA – Chapter 11 – Investment: Cases Filed Against the Government of Canada.

49 Global Affairs Canada, "[AbitibiBowater Inc. v. Government of Canada](#)," NAFTA – Chapter 11 – Investment: Cases Filed Against the Government of Canada and United Nations Conference on Trade and Development, "[Ethyl Corporation v. The Government of Canada](#)."

50 Statistics Canada, "[Table 376-0051: International investment position, Canadian direct investment abroad and foreign direct investment in Canada, by country](#)," CANSIM (database), accessed 8 March 2017.

51 Ibid.

chilling effect on the government, making them err on the side of protecting foreign corporations rather than Canadians, particularly as the costs are significant even if the case is won.”

Although arbitration panels established in accordance with the TPP’s ISDS provisions would not have the authority to overturn national laws, many of the Committee’s witnesses felt that the power they would have to award compensatory payments to investors for a violation of the TPP’s investment provisions would dissuade governments from adopting measures in the public interest, notably environmental protection measures. For example, in an email sent to the Committee, Dustin Carey, who provided his comments as an individual, suggested that the TPP’s ISDS mechanism would greatly limit the ability of Canadian governments to enact policies and regulations that could facilitate the transition away from a fossil fuel-reliant economy.

The [Manitoba Federation of Labour](#) commented that Canada’s experience with NAFTA indicates that environmental protection measures could be challenged under the TPP, and said that “[a]ccording to the Canadian Labour Congress, close to 40% of legal challenges under NAFTA have involved corporations challenging government environmental policies, such as banning gasoline additives and [polychlorinated biphenyl, or PCB] or enforcing water protections.” It also stated that the TPP would restrict governments from taking “needed action on climate change and transitioning to a lower-carbon economy.”

Similarly, the [Canadian Environmental Law Association](#) indicated that, if TPP countries adopt environmental measures that might interfere with trade or investment, these measures could be subject to challenge under the TPP’s investment chapter. It suggested that the “negative environmental implications” of the ISDS mechanism would not be balanced by the provisions in the TPP’s environment chapter. According to it, “[t]he vague and discretionary language in the environment chapter is exemplified by the general commitments section, which allows each party to determine its own levels of domestic environmental protection and its own environmental priorities.”

Regarding “regulatory chill,” some witnesses told the Committee that it is difficult to determine the extent of this phenomenon. York University’s [Gus Van Harten](#), who appeared as an individual, suggested that the risks associated with ISDS mechanisms are not well understood. According to him, it is difficult to measure the costs of an ISDS mechanism because it is hard to track the many implications of the pressure that an ISDS mechanism puts on governments to change their decision-making in favour of a foreign investor. He provided the following example:

[I]n the past Canada withdrew legislation banning a gasoline additive when sued in ISDS under NAFTA. As a result, Canada had a chemical additive called [methylcyclopentadienyl manganese tricarbonyl, or MMT] in its gasoline for approximately six years when the United States did not. This was thought by the auto industry to mess up their new auto emissions technologies. A range of costs that were associated with that outcome—significantly attributable to ISDS—have never really been researched and tracked....

In a brief submitted to the Committee following his appearance, [Mr. Van Harten](#) explained that the TPP relies on reservations, exceptions and carve-outs to safeguard a government's flexibility to regulate. In his view, such an approach is inappropriate for two reasons: it implies that the Government's right to regulate is an exception to investment protection, rather than an equal objective; and reservations, exceptions and carve-outs do not usually extend to all of the signatory parties' commitments to protect foreign investors, and are generally limited to a particular sector or area of decision-making.

The [Canadian Chamber of Commerce](#) had a different point of view, and suggested that the existence of an ISDS mechanism should not be problematic as long as national governments treat foreign investors in a non-discriminatory manner, particularly since Canada does not have a tradition of applying measures that differ based on an investor's nationality.

Some witnesses commented on the transparency of ISDS procedures and the selection process for arbitrators who serve on ISDS panels. In their view, the TPP's selection process would not sufficiently ensure the impartiality of arbitrators. According to the [Quebec Association for the Taxation of Financial Transactions for the Aid of Citizens](#), since claims could only be submitted by investors, arbitrators would have an interest in ruling in favour of the investor in order to be selected for future cases.

[OpenMedia](#) also commented on the selection process for arbitrators who would serve on ISDS panels, and asserted that these panels would bear "none of the hallmarks of a legal system and a judicial system in Canada that we consider to be open, transparent, and accountable." According to [Mr. Van Harten](#), the TPP would not "incorporate safeguards of judicial independence that are present in domestic and international courts," such as secure tenure, predetermined remuneration for adjudicators, and an objective method of case assignment.

Recognizing that the TPP was negotiated in parallel to the Canada–EU CETA, witnesses compared the ISDS provisions in these two agreements, particularly since the latter's provisions were amended after a legal review of CETA's text.⁵² According to [Mr. Herman](#), the ISDS provisions in the Canada–EU CETA are better than the model traditionally used in Canada's previous FTAs because it provides for a permanent roster of arbitrators and an appellate mechanism. He said that, while he would like the TPP to contain an appellate mechanism, it is difficult to compare the TPP and CETA because the negotiation dynamics were different.

[Mr. Ciuriak](#) stated that "the TPP ISDS framework is clearly now second best to that developed in the Canada–EU CETA negotiations, which creatively responded to the

52 A [joint statement](#) published by the European Commissioner for Trade and by Canada's Minister of International Trade on 29 February 2016 indicated that, as part of the legal review of the Canada–EU CETA, modifications were made to the investment chapter. According to the statement, with these modifications, Canada and the EU "will strengthen the provisions on governments' right to regulate; move to a permanent, transparent and institutionalized dispute-settlement tribunal; revise the process for the selection of tribunal members, who will adjudicate investor claims; set out more detailed commitments on ethics for all tribunal members; and agree to an appeal system."

substantive critiques of the conventional ISDS mechanisms and put forward a reformed framework.” That said, [Mr. Schneiderman](#) commented that the ISDS provisions in the Canada–EU CETA are only a modest improvement on similar provisions negotiated by Canada in the past because “the immense amounts of discretion handed over to investment lawyers remain under the CETA model.”

Regarding the type of dispute-settlement mechanism that he thought would be appropriate for FTAs negotiated by Canada, [Mr. Van Harten](#) suggested that a state-to-state international adjudication mechanism modeled on the WTO’s dispute-settlement mechanism is more appropriate than an ISDS mechanism because the former does not result in retrospective damage awards and, for that reason, is less likely to lead to regulatory chill. In his view, there should be an onus on investors to use the courts in the country of the government against which it wishes to file a claim. He observed that “[f]oreign investors in the marketplace should make judgments about which country they’re going to invest in based on the risks that everyone assesses in the marketplace about particular countries.” As well, he indicated that, if investors are not satisfied with the reliability of domestic courts in a particular country, they can buy political risk insurance or negotiate arbitration clauses in their contracts.

Tobacco Control Measures

Article 29.5 of the TPP would enable countries to deny investors the ability to make an ISDS claim in relation to a tobacco control measure. The [Canadian Cancer Society](#) supported the proposed carve-out of public health measures related to tobacco from the TPP’s ISDS provisions, believing that the “tobacco industry has a history of abuse, seeking to use international trade and investment agreements to overturn bona fide public health tobacco control measures that apply equally to domestic and foreign companies.”

That said, the [University of Ottawa’s Globalization and Health Equity Research Unit](#) pointed out that the carve-out for tobacco control measures illustrates that TPP countries are concerned about the potential impact of ISDS provisions on public health measures. Consequently, it questioned why that exclusion would not be extended to all non-discriminatory public health measures that a country might adopt. Similarly, the [Canadian Association of Physicians for the Environment](#) wondered why there is a specific exception for tobacco if the TPP’s general exception for public health measures is as effective as proponents of the TPP are suggesting.

INTELLECTUAL PROPERTY RIGHTS

[Chapter 18](#) of the TPP addresses intellectual property (IP) rights, and includes commitments on such issues as copyright, patents and trademarks. It also addresses compliance with international agreements on IP, notably the WTO’s [Agreement on Trade-Related Aspects of Intellectual Property Rights](#).

Protection of IP rights was among the topics raised the most often by the Committee’s witnesses, especially regarding the TPP’s provisions in relation to patents and copyright protection. [Global Affairs Canada](#) explained that the primary objective of IP

chapters in FTAs is “to give innovators confidence when they're out there trading in the world that they're going to have some protections for their innovations.” According to it, considering that Canadian companies are good at innovating but are facing challenges when commercializing those innovations, the IP protection provided by such chapters is important.

According to McCarthy Tétrault’s [Barry Sookman](#), who appeared as an individual, “the fourth industrial revolution, which we have to engage in, [relies] on intellectual property protection to raise capital, and to foster innovation and commercialization.” He also pointed out that “the Canadian market, by itself, is too small for Canadian businesses to succeed. ... Accordingly, Canadian businesses will need to compete in foreign markets under those IP regimes in place in those foreign markets whether Canada joins the TPP or not.”

That said, according to [Mr. Balsillie](#), the “TPP is about expanding freedom to operate for the winners in the innovation economy and restricting it for the rest. ... As CEO of a Canadian technology company that scaled globally from an idea to \$20 billion, my principal focus for two decades was to expand our freedom to operate and constrain our competitors' freedom to operate. I look at TPP's impacts on scaling Canadian companies from this unique perspective.” [He](#) also claimed that “[w]hat TPP does is enshrine the interests of pre-existing IP holders.” In his view, “[t]he problem is that Canada really has none of those [IP holders], and so Canada is a net loser.”

A number of witnesses mentioned the influence that the United States had when the TPP’s IP chapter was being negotiated, noting that – as a result – the TPP would mostly benefit the United States’ IP holders. The University of Ottawa’s [Michael Geist](#), who appeared as an individual, noted that the “[the United States is] not shy about making demands that are in their national interest. ... As a major exporter, whether it's Hollywood interests or some of the other IP or pharma interests, those don't align necessarily with ours.” In a brief submitted to the Committee, [Matias Rocha](#), who provided comments as an individual, suggested that the TPP’s entry into force would require TPP countries to implement the “most controversial and easily abused portions” of the United States’ IP laws without also including the limited safeguards that the United States places on its IP policies.

Patent Protection for Pharmaceutical Products

According to the technical summary published by Global Affairs Canada, the TPP’s IP chapter reflects “Canada’s existing regimes, systems and laws on patent linkage, protection for clinical trial data, and early working exceptions,” as well as “outcomes secured in the Canada–EU [CETA].”⁵³

53 On 31 October 2016, Canada tabled legislation to implement the Canada–EU CETA. [Bill C-30, An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures](#), would amend legislation and regulations to ensure that Canada complies with CETA’s provisions.

[Innovative Medicines Canada](#) suggested that the TPP would not extend IP protection in life sciences beyond the provisions contained in the Canada–EU CETA, while a number of the Committee’s witnesses believed that, if the changes to patent protection for pharmaceutical products that are proposed in the Canada–EU CETA and the TPP are taken together, the extension of patent terms beyond those that already exist for pharmaceutical products in Canada would lead to higher drug costs. The [Ontario Health Coalition](#) asserted that the TPP’s provisions would lead to cost increases for public and private purchasers of pharmaceutical products and, as a result, would restrict future policy options for governments. It observed the following:

Public health care advocates and trade experts are united in warning that the TPP’s most significant detrimental impact for Canada’s health care system is its impact on drug costs. Higher drug costs will impact the entire health care system, placing competing demands on scarce resources, thereby increasing pressure to cut services across the health care system, accelerating privatization, increasing out-of-pocket costs for patients, and exacerbating inequities and suffering when people are facing illness and aging.

Regarding drug costs and the TPP’s provision that would require the patent term for pharmaceutical products to be extended by up to two years to compensate for regulatory delays, the [Canadian Generic Pharmaceutical Association](#) said that the result would be increased drug costs in Canada, although drug prices might not rise. According to it, “[d]rug prices won’t necessarily go up; drug costs will go up. When you have to buy a product at 100% of the cost of a brand-name product instead of 18¢ or 25¢ for a generic, for an extra two years, that drives up costs.”

A number of witnesses provided estimates of the extent to which drug costs would increase because of the TPP’s proposed extension to the patent term. For example, the [Canadian Nurses Association](#) commented that “[t]hrough extending drug patents, delaying the availability of less expensive generic medicines, by 2023 Canada would see an annual cost increase of up to \$636 million, or 5% of the annual cost of patented drugs in Canada. There would be a concurrent negative effect on global health due to the unaffordability of these life-saving medicines.” Other organizations, including the [Canadian Centre for Policy Alternatives](#), the [Alberta Federation of Labour](#) and the [Canadian Health Coalition](#), shared similar concerns and indicated that a two-year extension would increase the annual cost of patented drugs in Canada by 5%, or by more than \$600 million.

The [Public Service Alliance of Canada](#) considered that the increase of health care costs that would occur if Canada implements the TPP would mean that “the cost of the Public Service Health Care plan will also rise both for existing public service workers and seniors who have retired from the public service.”

[Trade Justice PEI](#) estimated that the TPP would lead Prince Edward Island’s residents to pay an additional annual amount of between \$2 million and \$3 million in drug costs. It predicted that an increase in drug costs would place further pressure on the province’s health budget, putting health care services at risk.

The Committee was told that the practice of “evergreening” – slightly modifying patented drugs and patenting them as new drugs – could be facilitated by the TPP’s entry

into force. The [Grandmothers Advocacy Network](#) believed that companies producing brand-name pharmaceutical drugs could add a new use for an existing drug or make a small modification to a drug, even if it has no therapeutic benefits, and would be able to extend their monopoly for possibly another 20 years. According to a brief submitted to the Committee by [Support Our Health Care Society](#), the practice of evergreening is “unconscionable” and “has no legitimate place” in the TPP.

As well, a number of witnesses indicated that the proposed extension of patent terms for pharmaceutical products in TPP countries could negatively affect the accessibility of affordable drugs in developing and least-developed countries. The [Centre international de solidarité ouvrière](#) commented that the TPP’s IP provisions could prevent the world’s poorest populations from accessing generic drugs that treat such diseases as HIV/AIDS and tuberculosis.

[Doctors Without Borders](#) mentioned that the effect of the TPP’s IP provisions would be to keep medicine prices high for a longer period of time by further limiting competition from generic pharmaceutical drugs. In its view, “if enacted in its current form, the TPP will go down in history as the worst-ever trade agreement for access to medicines for developing countries.” Similarly, the [Canadian HIV/AIDS Legal Network](#) informed the Committee that, in 2001, all WTO members – including Canada – adopted a declaration that was aimed at “preserving the flexibility that countries have in shaping their public policy in order to improve access to affordable medicines for all, including a number of measures that, in some cases, will be made more difficult by the TPP.”⁵⁴

The [University of Ottawa’s Globalization and Health Equity Research Unit](#) stated that a “UN high-level panel is calling for new models for the development of health technologies and drugs that go beyond patent regimes to better balance trade and industry interests with human rights and public health concerns.” In that context, it reasoned that “increasing pharmaceutical patent provisions appears to be somewhat out of step with these other multilateral discussions on ensuring access to life-saving drugs.”

Copyright Term Extension

The TPP would require countries to protect a work, performance or phonogram for a minimum of 70 years after the death of the author, or 70 years after the first publication or the first performance, as the case may be. Canada’s [Copyright Act](#) was recently amended to extend the term of protection for sound recordings to 70 years after the date of publication, but other amendments would be required in order for Canada to meet its TPP commitments; the Act currently provides protection for a 50-year period after the author’s death for other types of work or performance.

Regarding the role of Internet service providers in addressing online copyright infringement, TPP countries would have to adopt a “notice-and-takedown” system, whereby Internet service providers are required to block access to material after receiving a claim from a copyright holder alleging that their copyright has been infringed.

54 World Trade Organization, [Declaration on the TRIPS agreement and public health](#), 20 November 2001.

That said, in accordance with Annex 18-E of the TPP, Canada would be allowed to continue applying its “notice-and-notice” system, whereby Internet service providers send a notice to a possible copyright infringer after receiving a claim from a copyright holder.

[Mr. Geist](#) informed the Committee that the copyright term in Canada – the author’s life plus 50 years – is consistent with the international standards established by the *Berne Convention for the Protection of Literary and Artistic Works*,⁵⁵ and that extending that period by an additional 20 years would represent “a major windfall for the United States and a net loss for Canada.” He referred to studies – including a draft study by the Australian Government’s Productivity Commission – estimating that an additional 20 years of copyright protection results in financial losses for consumers.⁵⁶ According to him, that draft study estimated that an additional 20 years of copyright protection under Australian law resulted in net transfers from Australian consumers to foreign rights holders of around A\$88 million per year.

The [Canadian Association of Research Libraries](#) also said that the extension of Canada’s copyright terms that would be required by the TPP would not provide Canadian creators with a direct economic benefit because Canada is a net importer of IP content. In its view, the primary beneficiaries of the TPP’s copyright provisions would be foreign publishers, as well as foreign film and music producers. It suggested that extending the copyright term in Canada would make much of the country’s cultural history inaccessible to the public, and could have harmful effects on Canada’s knowledge-based economy. Additionally, [it](#) asserted that “[t]eachers and students won’t be able to get permission to scan or photocopy out-of-print books or artwork ... the jobs of libraries, archives, and museums in preserving our cultural heritage material will be made more difficult.”

[OpenMedia](#) observed that “[i]f ratified, the TPP will bring 20-year copyright term extensions to Canada, which have been widely shown by numerous experts in multiple international studies to cost consumers money and will actually make it more difficult for the next generation of artists and creators to create new works.”

In that context, [Mr. Geist](#) stated that “[t]he overwhelming majority of economists who look at this issue recognize that nobody will wake up this morning and start thinking about writing the great Canadian novel and decide they won’t do it because their heirs would get only 50 years of protection rather than 70 years. It just doesn’t create an incentive for any additional kind of creation or creativity.”

[Devan England](#), who spoke to the Committee as an individual during a public “open mic” session at its meeting in Charlottetown, Prince Edward Island, commented that an extension of the copyright term in Canada would not benefit current innovators. According to him, the proposed extension would benefit only rights holders of works from “long dead innovators of the past.”

55 World Intellectual Property Organization, [Berne Convention for the Protection of Literary and Artistic Works](#), 1886.

56 Australian Government, Productivity Commission, [Intellectual Property Arrangements: Productivity Commission Draft Report](#), April 2016.

Some witnesses gave specific examples of the manner in which consumers of copyrighted material could be affected by a 70-year copyright term following the creator's death. In a brief providing his comments as an individual, [Benjamin Carlisle](#) mentioned that Canadians are benefiting from the 20-year difference in copyright term between Canada and the United States. He stated that “this season at the Festival Theatre in my hometown of Stratford Ontario, there will be a stage adaptation of *The Lion, The Witch and The Wardrobe* by C. S. Lewis. The author of this book died in 1963, and so it entered the Public Domain in Canada in 2014. Hence, it can be performed on stage at Stratford without fear of legal action from Disney. In contrast, American copyright will protect this book until 2034.”

Similarly, the brief submitted to the Committee by the [Girl Guides of Canada](#) commented that, under the current [Copyright Act](#), it has been able to share and celebrate many works in its collections; in its view, this sharing would be more difficult with a 20-year extension of the copyright term. It highlighted the upcoming 100th anniversary of Girl Guide cookies in 2027, and mentioned that – under Canada's current copyright regime – the Girl Guides of Canada could use a historic photograph of girls selling Girl Guide cookies that will enter the public domain in 2025. However, it also said that this photograph could not be used until 2045 if the copyright term is extended by 20 years, with the result that it could not be used for the 100th anniversary.

A number of witnesses had a different opinion on the impact that an extension of the copyright term would have on Canadian consumers and copyright holders. For example, [Mr. Sookman](#) suggested that a 70-year copyright term following an author's death is becoming the international norm, and that approximately 90 countries around the world already have protection that is of that duration or longer.

Similarly, the University of Montreal's [Ysolde Gendreau](#), who appeared as an individual, commented that “[m]ore than 90 countries have a life-plus-70 term of protection. We're not at the beginning of this trend, where positioning could be interesting. The train has come by, and it doesn't make sense for us not to jump on it. Is it great? Not necessarily, but there's no point fussing about this. There are far more important issues in copyright to deal with.” [She](#) also observed that a 20-year extension to the copyright term in Canada would apply to only a limited proportion of Canadian works.

Regarding the impact that a 20-year extension of the copyright term would have on consumers, the brief submitted to the Committee by the [Society of Composers, Authors and Music Publishers of Canada](#) cited a PricewaterhouseCoopers report concluding that there is no statistical difference in the price of copyrighted and non-copyrighted music in the United Kingdom. Consequently, it indicated that “any criticism of copyright extensions on a consumer-cost basis is misplaced.”

In relation to copyright holders, some witnesses mentioned that providing sufficient protection to creators is essential to establishing an economic climate that is conducive to investments in Canada. In that regard, the [Canadian Music Publishers Association](#) stated:

[E]xtending term is not about the heirs. It's not about “life plus 50” or “life plus 70” and some music writer's great-great grandchildren by their third marriage getting a whole windfall of

money. That's certainly not the case. It's about creating a secure financial instrument for music publishers—Canadian companies—to invest in. Extending the term increases the value of that financial instrument, which they can leverage to invest.

The [Canadian Music Publishers Association](#) also commented that some studies that try to measure the impact of an extension of copyright terms on consumers, such as that conducted by the Australian Government's Productivity Commission, are based on a model of music consumption that no longer exists. It emphasized that the notion that such an extension would lead to higher costs for consumers is based on the assumption that consumers would continue to pay for physical products that would otherwise have gone into the public domain. In its view, this assumption is erroneous because the market is moving toward a "streaming model, a rental model, an online model," in which people are no longer buying physical products.

CONCLUSION AND RECOMMENDATIONS

During its public consultation on the TPP, the Committee heard from a diverse range of stakeholders, including businesses, labour organizations, civil society groups, provincial and territorial governments, academics, representatives of Indigenous communities and the general public. These stakeholders provided the Committee with a variety of perspectives on the TPP, its implications for Canada and Canadians, and its possible ratification by the Government.

With some exceptions, businesses that participated in the Committee's study believed that the TPP would increase their ability to trade with certain countries in the Asia-Pacific region with which Canada does not already have an FTA, most notably Japan. Many claimed that the TPP would remove tariff barriers that limit their ability to export to Japan, and some businesses – especially those in Canada's export-oriented agricultural sectors – indicated that the TPP would reduce non-tariff barriers that currently restrict their exports to Asia-Pacific countries.

Although the Committee heard diverging views about the economic impact that the TPP could have for Canada, it notes that implementation of the TPP by all original signatory countries except Canada could have significant negative impacts on the Canadian economy. These impacts could be particularly large in sectors in which North American supply chains are deeply integrated, such as the automobile manufacturing sector.

Some witnesses, including those from Canada's supply-managed sectors, told the Committee that the TPP would provide foreign producers with additional access to the Canadian market for supply-managed agricultural products if Canada ratifies the TPP and it enters into force. In the Committee's view, Canadian producers in supply-managed sectors make a significant contribution to Canada's economic interests. Accordingly, the Committee recommends that the Government of Canada defend the interests of these producers in future trade negotiations. In addition, the Committee believes that the Government should provide support, as required, to minimize any negative impacts that such agreements might have on Canadian producers in these sectors.

The Committee also heard about concerns that certain Canadian stakeholders have with the TPP. While some individuals and organizations suggested that agreements such as the TPP are negotiated “behind closed doors” and mostly benefit large businesses, others expressed more specific concerns, most notably regarding the TPP’s ISDS mechanism and its IP provisions.

Regarding ISDS, one of the main concerns identified by witnesses during the Committee’s public consultation was the possibility that a case initiated by an investor against a state – and any resulting financial burden – could deter governments from making new regulations. In response to these concerns, the Committee believes that, in future FTAs negotiated by the Government of Canada, mechanisms to resolve disputes between states and investors should be open and transparent and should reaffirm the ability of government to regulate in the public interest.

With respect to IP, the two concerns cited most often by witnesses appearing before the Committee related to the potential for increased drug costs in Canada resulting from the proposed extension of the patent term for pharmaceutical products, and the possibility that the extension of Canada’s copyright terms would be detrimental to the country because it is a net importer of IP content.

Given the January 2017 decision by the United States to withdraw its signature from the TPP, Canada must now pursue trade relations with Asia-Pacific countries amid uncertainty about the fate of the TPP and the prospects for another FTA among some of the TPP countries.

The Committee is aware that the Government could ratify the TPP, like Japan did earlier this year. That said, even after doing so, the TPP would possibly not enter into force. In that case, Canadian businesses would lack preferential access to Japan and certain other Asia-Pacific countries unless the Government concluded new trade or investment agreements with them.

As well, the Committee recognizes that the Government could provide Canadian businesses with preferential access to some Asia-Pacific countries through negotiating an FTA with some TPP countries; any such bilateral or regional agreement could be based on the text of the TPP. As of March 2017, it is not clear how many or which of the TPP signatories would want to negotiate such an FTA. The extent to which the text of such an FTA would resemble the text of the TPP, or whether it would include non-TPP countries, is not known.

The Committee believes that the Government should proactively pursue bilateral trade and investment agreements with one or more TPP countries. Regarding Japan, the Committee is aware that seven rounds of negotiations for a Canada–Japan economic partnership agreement (EPA) had occurred by 2014, although negotiations were suspended as a result of both countries participating in TPP negotiations. If the TPP does not enter into force, the Government should seek preferential access to Japan for Canadian businesses by engaging the Government of Japan in renewed EPA negotiations.

Although FTAs are an important means by which to enhance the ability of Canadian businesses to trade with other countries, the Committee recognizes that they are not the only means of increasing Canada's international trade. The Government currently supports – through a variety of measures – Canadian businesses that wish to trade internationally, including through its Trade Commissioner Service, and the Growing Forward and CanExport programs, among others. That said, the Committee notes that Canadian businesses – particularly SMEs – may face challenges when they want to enter international markets. While many tools and services exist to support them in their globalization efforts, the Committee believes that these tools and services should be advertised better in order to reach businesses, particularly SMEs. Another option for increasing Canadian businesses' ability to trade with TPP countries, regardless of whether the TPP enters into force, would be for the Government to enhance the support it provides to Canadian businesses that wish to trade internationally, either by expanding current – or developing new – programs.

Accordingly, the Committee recommends:

Recommendation 1

That, recognizing the United States' withdrawal from the Trans-Pacific Partnership and wanting to conclude agreements that are in the best interests of Canadians, the Government of Canada actively pursue a trade and investment agreement with Trans-Pacific Partnership signatories, as well as additional trade and investment agreements in the Asia-Pacific region. These agreements should be pursued on a priority basis, and should supplement other measures designed to support the trade and investment activities of Canadian businesses in the Asia-Pacific region.

Recommendation 2

That the Government of Canada continue to involve provincial and territorial governments as it pursues negotiations for a trade and investment agreement with Trans-Pacific Partnership signatories, and with other countries in the Asia-Pacific region.

Recommendation 3

That the Government of Canada seek to resume negotiations with Japan for an economic partnership agreement.

Recommendation 4

That the Government of Canada ensure that any trade and investment agreement in the Asia-Pacific region include, as core elements, inclusive and enforceable progressive provisions in relation to the environment, health, labour and human rights. These provisions should be subjected to a gender-based assessment and reflect the high standard in these areas contained in the Canada–European Union Comprehensive Economic and Trade Agreement, specifically the agreement’s open and transparent mechanism to resolve disputes between states and investors.

Recommendation 5

That the Government of Canada undertake public consultations regarding the negotiation of any trade and investment agreement in the Asia-Pacific region. These consultations, which should be open, broad and inclusive, should include stakeholders who may not have been consulted in the past, such as Indigenous peoples and communities.

Recommendation 6

That the Government of Canada integrate commitments made at the Paris Climate Change Conference in 2015 relating to the environment into future trade and investment agreements.

Recommendation 7

That the Government of Canada engage with the Canadian public, including the full range of stakeholders, to convey and discuss the benefits for Canada and the country’s economic prosperity of an open economy and international trade. This engagement should be ongoing, proactive, constructive and evidence-based.

Recommendation 8

That the Government of Canada develop a communications plan to publicize the provisions and benefits of any future agreement with Trans-Pacific Partnership signatories or other Asia-Pacific countries to Canadian businesses that wish to export to the Asia-Pacific region, particularly small- and medium-sized enterprises.

Recommendation 9

That the Government of Canada take action to ensure that Canadian infrastructure that facilitates trade is adequate, and meets the needs of Canadian businesses that engage in international trade.

Recommendation 10

That, to the extent possible and consistent with the Trans-Pacific Partnership consultations undertaken by the House of Commons Standing Committee on International Trade, the Government of Canada support Canadian businesses, particularly small- and medium-sized enterprises, by taking the following three actions: provide training to businesses that are seeking to export; increase the visibility of services and tools available to these businesses; and explore the concept of a “one-stop shop” where these businesses can access trade-related resources.

Recommendation 11

That, in negotiating future trade and investment agreements, the Government of Canada vigorously defend Canada’s supply-managed sectors. As well, the Government should ensure the existence of programs and initiatives designed to minimize the possible negative impacts that trade and investment agreements could have on these sectors’ producers and processors, including through innovation and diversification efforts.

Recommendation 12

That the Government of Canada identify non-tariff barriers that inhibit fair access to Trans-Pacific Partnership markets.

Recommendation 13

That the Government of Canada evaluate the impact of trade and investment agreements on Canadian workers, businesses and sectors. These evaluations should inform the development of future progressive trade and investment agreements.

Recommendation 14

That the Government of Canada, prior to the ratification of a trade and investment agreement, report any expected economic, labour, environmental, social and other outcomes in relation to that agreement.

APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Department of Foreign Affairs, Trade and Development</p> <p>Dany Carrière, Director and Deputy Chief Negotiator Trans-Pacific Partnership Division</p> <p>Kirsten Hillman, Acting Assistant Deputy Minister Trade Agreements and Negotiations</p> <p>Loris Mirella, Lead Negotiator Intellectual Property</p> <p>Alison O'Leary, Director Tariff and Goods Market Access Division</p>	2016/02/18	3
<p>Business Council of Canada</p> <p>Brian Kingston, Vice-President Policy, International and Fiscal Issues</p> <p>Canadian Chamber of Commerce</p> <p>Perrin Beatty, President and Chief Executive Officer</p> <p>Warren Everson, Senior Vice-President Policy</p> <p>Canadian Federation of Independent Business</p> <p>Corinne Pohlmann, Senior Vice-President National Affairs and Partnerships</p> <p>Canadian Manufacturers and Exporters</p> <p>Mathew Wilson, Senior Vice-President</p>	2016/02/23	4
<p>Canadian Agri-Food Trade Alliance</p> <p>Claire Citeau, Executive Director</p> <p>Canadian Vintners Association</p> <p>Dan Paszkowski, President and Chief Executive Officer</p> <p>Chicken Farmers of Canada</p> <p>Mike Dungate, Executive Director</p> <p>Yves Ruel, Manager of Trade and Policy</p> <p>Dairy Farmers of Canada</p> <p>Caroline Emond, Executive Director</p> <p>Yves Leduc, Director Policy and Trade</p>	2016/02/25	5
<p>Automotive Parts Manufacturers' Association</p> <p>Flavio Volpe, President</p>	2016/03/08	6

Organizations and Individuals	Date	Meeting
Ford Motor Company of Canada Limited Dianne Craig, President and Chief Executive Officer Caroline Hughes, Vice-President Government Relations	2016/03/08	6
Japan Automobile Manufacturers Association of Canada Stephen Beatty, Vice-President Toyota Canada Inc. David Worts, Executive Director		
Unifor Jerry Dias, National President Angelo DiCaro, National Representative		
As individuals Chris Brand Tom L. Green, Ecological Economist	2016/04/18	10
Asia Pacific Foundation of Canada Stewart Beck, President and Chief Executive Officer		
BC LNG Alliance Jas Johal, Director of Communications David Keane, President and Chief Executive Officer		
British Columbia Cattlemen's Association Kevin Boon, General Manager		
British Columbia Maritime Employers Association Terry Duggan, Acting President and Chief Executive Officer Eric Waltz, President of Global Container Terminals		
Canadian Architectural Licensing Authorities Scott Kemp, Past President Architectural Institute of British Columbia Mark Vernon, Chief Executive Officer Architectural Institute of British Columbia		
Greater Vancouver Board of Trade David Crawford, Vice-President		
OpenMedia Meghan Sali, Digital Rights Specialist		
Trade Justice Network Blair Redlin, Co-Chair		

Organizations and Individuals	Date	Meeting
Union of British Columbia Indian Chiefs Brenda Sayers, Representative	2016/04/18	10
Vancouver Fraser Port Authority Robin Silvester, President and Chief Executive Officer Kirk Zhou, Manager, Business Analyst and Decision Support		
Alberta Beef Producers Rich Smith, Executive Director	2016/04/19	11
Alberta Canola Producers Commission Greg Sears, Chair Janelle Whitley, Manager Policy Development, Canadian Canola Growers Association		
Alberta Chicken Producers Erna M. Ference, Chair		
Alberta Federation of Labour Gil McGowan, President		
Alberta Pulse Growers Commission Leanne Fischbuch, Executive Director D'Arcy Hilgartner, Vice-Chair		
Alberta Society of the Friends of Medicare Sandra Azocar, Executive Director		
Alberta Wheat Commission Kevin Bender, Vice-Chairman Caalen Covey, Manager Business Development and Markets		
Canadian Association of Petroleum Producers Tim McMillan, President and Chief Executive Officer		
Canadian Federation of Musicians Alistair Elliott, International Representative Canada		
Council of Canadians Matthew Young, Member Prairies and Northwest Territories		
National Cattle Feeders' Association Bryan Walton, General Manager John Weekes, Trade Consultant		
Western Barley Growers Association Doug Robertson, President		

Organizations and Individuals	Date	Meeting
<p>Canpotex Natashia Stinka, Manager Corporate Services</p> <p>Grandmothers Advocacy Network Jennifer Neal, Member Leadership Team and Regional Leader for the Prairies</p> <p>Greater Saskatoon Chamber of Commerce Kent Smith-Windsor, Executive Director</p> <p>National Farmers Union Terry Boehm, Chair Trade Committee</p> <p>Saskatchewan Association of Rural Municipalities Ray Orb, President</p> <p>Saskatchewan Barley Development Commission Jillian McDonald, Executive Director Jason Skotheim, Chair</p> <p>Saskatchewan Canola Development Commission Janice Tranberg, Executive Director Terry Youzwa, Chair of the Board of Directors</p> <p>Saskatchewan Cattlemen's Association Ryan Beierbach, Chairman Ryder Lee, Chief Executive Officer</p> <p>Saskatchewan Pulse Growers Carl Potts, Executive Director Tim Wiens, Chair</p> <p>Saskatchewan Trade and Export Partnership Brad Michnik, Senior Vice-President Trade Development</p> <p>Service Employees International Union-West Catherine Gendron, Project Coordinator</p> <p>Viterra Richard Wansbutter, Advisor</p>	2016/04/20	12
<p>Canadian Centre for Policy Alternatives Lynne Fernandez, Errol Black Chair in Labour Issues</p> <p>Canadian Oilseed Processors Association Chris Vervaet, Executive Director</p>	2016/04/21	13

Organizations and Individuals	Date	Meeting
<p>Canola Council of Canada Patti Miller, President</p> <p>Cereals Canada Cam Dahl, President</p> <p>Council of Canadians Brigette DePape, Regional Organizer Prairies Douglas Tingey, Member</p> <p>Cypher Environmental Ltd. Todd Burns, President</p> <p>Manitoba Beef Producers Maureen Cousins, Policy Analyst Heinz Reimer, President</p> <p>Manitoba Building Trades Sudhir Sandhu, Chief Executive Officer</p> <p>Manitoba Federation of Labour Kevin Rebeck, President Anna Rothney, Special Projects</p> <p>Manitoba Pork Council Andrew Dickson, General Manager</p> <p>Manitoba Pulse and Soybean Growers Gord Kurbis, Director Market Access and Trade Policy François Labelle, Executive Director</p> <p>Western Grain Elevator Association Jean-Marc Ruest, Board Member, Senior Vice-President Corporate Affairs and General Counsel, Richardson International Limited Wade Sobkowich, Executive Director</p>	2016/04/21	13
<p>As individuals</p> <p>Jim Balsillie, Former Co-Chief Executive Officer of Research in Motion and Co-Founder of the Institute for New Economic Thinking</p> <p>Michael Geist, Canada Research Chair in Internet and E- commerce Law and Professor of Law University of Ottawa</p> <p>Lawrence L. Herman, Counsel Herman and Associates</p>	2016/05/05	15

Organizations and Individuals	Date	Meeting
As an individual	2016/05/05	15
Barry Sookman, Partner McCarthy Tétrault		
Agropur cooperative	2016/05/10	16
Dominique Benoit, Senior Vice-President Institutional Affairs and Communications, Agri Foods Serge Riendeau, President		
As individuals		
Nadia Alexan, Founder Citizens in Action - Montreal		
John Arrayet		
Sydney Bhalla		
Tom Boushel		
Lyna Boushel		
Johan Boyden		
Louis-Joseph Couturier		
Leo Diconca		
Michael Fish		
Kristian Gareau		
Ysolde Gendreau, Full Professor Law Faculty, Université de Montréal		
Nicole Gombay, Professor Université de Montréal		
Shaen Johnston		
Sidney Klein		
Abdul Pirani		
Keith Race		
Ronald Ross		
Judith Shapiro		
Joanne Sherwin		
Adrien Welsh		
Board of Trade of Metropolitan Montreal		
Guy Jobin, Vice-President Business Services		
Charles-André Major, Head Analysis and Communications		

Organizations and Individuals	Date	Meeting
<p>Bombardier Inc. Pierre Seïn Pyun, Vice-President Government Affairs</p> <p>Centre international de solidarité ouvrière Denise Gagnon, President Amélie Nguyen, Coordinator</p> <p>Conseil de la transformation alimentaire du Québec Sylvie Cloutier, Chief Executive Officer André A. Coutu, Chief Executive Officer of the Agri-Food Export Group Québec-Canada Raymond Dupuis, Executive Vice-President of the Agri-Food Group Québec-Canada</p> <p>Enerkem Marie-Hélène Labrie, First Vice-President Government Affairs</p> <p>Fédération des chambres de commerce du Québec Yvon Boudreau, Consultant Stéphane Forget, Vice-President Strategy and Economic Affairs</p> <p>Fédération des producteurs acéricoles du Québec Serge Beaulieu, President Simon Trépanier, Chief Executive Officer</p> <p>Les Producteurs de lait du Québec Alain Bourbeau, Director General</p> <p>Quebec Association for the Taxation of Financial Transactions for the Aid of Citizens Claude Vaillancourt, President</p> <p>Union des producteurs agricoles Marie-Ève Bourdeau, Economic Advisor Research and Agricultural Policies Marcel Groleau, General Chairman Senior Staff</p>	2016/05/10	16
<p>As individuals Tomas Feininger Martin Fournier Patrick Kerr Pierre Yves Serinet</p>	2016/05/11	17

Organizations and Individuals	Date	Meeting
<p>Canadian Union of Public Employees Denis Bolduc, Secretary General SCFP-Québec</p> <p>Mathieu Vick, Union advisor - Research SCFP-Québec</p> <p>Centrale des syndicats démocratiques Normand Pépin, Union Advisor - Research François Vaudreuil, President</p> <p>Confédération des syndicats nationaux Jean Dalcé, Union Advisor Francine Lévesque, Vice-President</p> <p>Desjardins Group Bernard Brun, Director Government Relations - Canada</p> <p>Alain Gagnon, Vice-President Agricultural and Agri-Food Sectors Division</p> <p>Fruit d'or Sylvain Dufour, Vice-President Sales, Marketing & Innovations</p> <p>Les Éleveurs de porcs du Québec David Boissonneault, President Gaëlle Leruste, Senior Advisor Communications and Public Affairs, Agricultural</p> <p>Les Éleveurs de volailles du Québec Martine Labonté, Director of Economic Affairs and Programs Pierre-Luc Leblanc, President</p> <p>Manufacturiers et Exportateurs du Québec Éric Tétrault, President</p> <p>Quebec City Chamber of Commerce and Industry Alain Aubut, President and Chief Executive Officer</p> <p>Québec International Line Lagacé, Vice-President Business Growth and Foreign Investment</p> <p>Quebec Port Authority Patrick Robitaille, Vice-President Port Business Development</p> <p>Alain Sans Cartier, Director Public Affairs and Communications</p>	2016/05/11	17

Organizations and Individuals	Date	Meeting
Réseau québécois sur l'intégration continentale Pierre Yves Serinet, Coordinator	2016/05/11	17
As individuals Robert S. Andrew Anna Beaulieu Ralph Benoit Verna Burnet Lisa Gretzky Douglas Hayes Kurt Powell Joan E. Tinkess John S. Toth Margaret Villamizar	2016/05/12	18
Cross-Border Institute William Anderson, Director University of Windsor		
Essex County Federation of Agriculture Ron Faubert, Representative Ontario Federation of Agriculture Louis Roesch, Director of Zone One, Kent and Essex Counties Ontario Federation of Agriculture		
Grain Farmers of Ontario Mark Huston, Vice-Chair		
Lambton Federation of Agriculture Kevin Forbes, Member and Past President Gary Martin, Director		
Linamar Corporation Linda Hasenfratz, Chief Executive Officer		
Ontario Greenhouse Vegetable Growers George Gilvesy, Chair Glen Snoek, Analyst Market and Economic Policy		
Ontario Health Coalition Natalie Mehra, Executive Director		
Unifor Dino Chiodo, President Local 444		

Organizations and Individuals	Date	Meeting
United Steelworkers Troy Lundblad, Staff Representative Research, Public Policy and Bargaining Support	2016/05/12	18
Windsor and District Labour Council Randy Emerson, Treasurer of the Council of Canadians Brian Hogan, President		
WindsorEssex Economic Development Corporation Rakesh Naidu, Interim Chief Executive Officer		
Windsor-Essex Regional Chamber of Commerce Matt Marchand, President and Chief Executive Officer		
As individuals Eleanor Batchelder Doris Bradley Tali Chernin Kathleen Chung Christine De Groot Benjamin Donato-Woodger Patricia Evans Gail Fairley Gail Ferguson Richard Grace Subir Guin Maitri Guptki William Halliday Ben Heywood Sharon Howarth Jodi Koberinski Anna Kosior Joel Lexchin, Professor School of Health Policy and Management, Faculty of Health, York University Adelaide MacDonald Josephine Mackie Fiona McMurrin Linden Jane Milson Dunstan Morey	2016/05/13	19

Organizations and Individuals	Date	Meeting
As individuals	2016/05/13	19
Grant E. Orchard		
Gerald Parker		
Aby Rajani		
Margaret Rao		
Simone Romain		
Elisabeth Rowley		
David Schneiderman, Professor Faculty of Law, University of Toronto		
Daphne Stapleton		
Stephanie Sturino		
George Taylor		
James Lorne Westman		
Silvia Wineland		
Canadian Association of Importers and Exporters		
Joy Nott, President and Chief Executive Officer		
Canadian Environmental Law Association		
Jacqueline Wilson, Counsel		
Canadian Music Publishers Association		
Robert Hutton, Executive Director		
Congress of Union Retirees of Canada		
Malcolm Buchanan, President Hamilton, Burlington and Oakville		
Magna International Inc.		
Sean Johns, Director of Sustainability, Energy and Government Relations		
Martinrea International Inc.		
Rob Wildeboer, Executive Chairman		
Toronto Region Board of Trade		
Jan De Silva, President and CEO		
United Food and Commercial Workers Union Canada		
Mark Hennessy, Special Assistant to the National President		
UPS Canada		
Cristina Falcone, Vice-President Public Affairs		
Association of Seafood Producers	2016/05/17	20
Derek Butler, Executive Director		

Organizations and Individuals	Date	Meeting
<p>BC Seafood Alliance Christina Burridge, Executive Director</p> <p>Clearwater Seafoods Limited Partnership Christine Penney, Vice-President Sustainability and Public Affairs</p> <p>Maritime Fishermen's Union Christian Brun, Director General</p>	2016/05/17	20
<p>Canada Research Chairs Program Ronald Labonté, Professor and Canada Research Chair in Globalization and Health Equity University of Ottawa</p> <p>Arne Ruckert, Senior Research Associate Globalization and Health Research Unit, University of Ottawa</p> <p>Canadian Generic Pharmaceutical Association Jody Cox, Vice-President Federal and International Affairs</p> <p>Jim Keon, President</p> <p>Canadian HIV/AIDS Legal Network Richard Elliott, Executive Director</p> <p>Canadian Nurses Association Carolyn Pullen, Director Policy, Advocacy and Strategy</p> <p>CropLife Canada Dennis Prouse, Vice-President Government Affairs</p> <p>Innovative Medicines Canada Mark Fleming, Director Federal Affairs and Health Policy at Janssen Inc.</p> <p>Declan Hamill, Chief of Staff and Vice-President Legal Affairs</p>	2016/05/31	22
<p>Canada's Building Trades Unions Christopher Smillie, Senior Advisor Government Relations and Public Affairs</p> <p>Canadian Council on Food Sovereignty and Health Shiv Chopra, President</p> <p>Canadian Seed Trade Association Dave Carey, Manager Government Affairs and Policy</p> <p>Dan Wright, Second Vice-President</p>	2016/06/02	23

Organizations and Individuals	Date	Meeting
<p>Grain Growers of Canada Fiona Cook, Executive Director Margaret Hansen, Vice-President of Western Canadian Wheat Growers Association Saskatchewan</p>	2016/06/02	23
<p>International Brotherhood of Electrical Workers Matt Wayland, Political Action/Media Strategist First District, Canada</p>		
<p>Teamsters Canada Phil Benson, Lobbyist Dave Froelich, Director Dairy Division</p>		
<p>Canadian Cancer Society Rob Cunningham, Senior Policy Analyst</p>	2016/06/07	24
<p>Canadian Pork Council John Ross, Executive Director</p>		
<p>Council of Canadians Sujata Dey, Trade Campaigner National Steven Shrybman, Member of the Board of Directors and Partner at Goldblatt Partners LLP</p>		
<p>Doctors Without Borders Jason Nickerson, Humanitarian Affairs Advisor Judit Rius Sanjuan, Access Campaign Manager & Legal Policy Advisor</p>		
<p>International Union of Operating Engineers Steven Schumann, Canadian Government Affairs Director</p>		
<p>Scotiabank Jean-François Perrault, Senior Vice-President and Chief Economist</p>		
<p>As individuals Troy Hunter, Barrister and Solicitor Sea to Sky Law Corporation Pamela D. Palmater, Chair in Indigenous Governance Ryerson University, Department of Politics & Public Administration</p>	2016/06/14	26
<p>Assembly of First Nations Perry Bellegarde, National Chief William David, Senior Advisor</p>		

Organizations and Individuals	Date	Meeting
Métis National Council John Weinstein, Chief of Staff	2016/06/14	26
As an individual Gus Van Harten, Professor of Law Osgoode Hall Law School, York University	2016/06/16	27
Canadian Association of Research Libraries Susan Haigh, Executive Director Victoria Owen, Chief Librarian University of Toronto Scarborough		
Canadian Cattlemen's Association John Masswohl, Director Government and International Relations		
Canadian Centre for Policy Alternatives Scott Sinclair, Senior Research Fellow		
Canadian Labour Congress Angella MacEwen, Senior Economist Hassan Yussuff, President		
Chemistry Industry Association of Canada David Podruzny, Vice-President Business and Economics		
As an individual Craig Yeo	2016/09/22	31
Canadian Association of Physicians for the Environment Courtney Howard, Climate-Health Lead Board Member		
As individuals Leticia Adair David Beaudin Philip Blaney Mike Bradley Jean Marc Ringuette Paula Tippet Gregory Leslie Wright	2016/09/26	32
Association des crabiers acadiens Joel Gionet, President		

Organizations and Individuals	Date	Meeting
<p>Canadian Manufacturers and Exporters Joel Richardson, Vice-President New Brunswick and Prince Edward Island Divisions</p> <p>Cavendish Farms Peter Johnston, Director Quality Assurance</p> <p>Connors Bros. Clover Leaf Seafoods Company David Lomas, Vice-President Marketing and Business Development, Bumble Bee Seafoods International</p> <p>Cooke Aquaculture Inc. Andrew Young, Senior Vice-President Global Sales and Marketing</p> <p>Council of Canadians Leticia Adair Saint John Chapter Paula Tippet Saint John Chapter</p> <p>Dairy Farmers of New Brunswick Paul Gaunce, Chairman</p> <p>Grand Manan Fishermen's Association Bonnie Morse, Program Co-ordinator Melanie Sonnenberg, Project Manager</p> <p>New Brunswick Federation of Labour Patrick Colford, President</p> <p>New Brunswick Union of Public and Private Employees Leigh Sprague, Legal Counsel and Chief Negotiator</p> <p>Port Saint John Jim Quinn, President and Chief Executive Officer</p> <p>Unifor Jessica Smith</p>	2016/09/26	32
<p>Aerospace and Defence Association of Prince Edward Island Lennie Kelly, Executive Director Eric Richard, President</p> <p>As individuals Leo Broderick Teresa Doyle</p>	2016/09/27	33

Organizations and Individuals	Date	Meeting
As individuals	2016/09/27	33
Devan England		
Colin Jeffrey		
Darcie Lanthier		
Andrew John Lush		
Cameron MacDuffee		
Mary Edith Perry		
Ana Wheatley		
Dairy Farmers of Prince Edward Island		
Ronald Maynard, Director and Corporate Secretary		
Douglas Thompson, General Manager		
Environmental Coalition of Prince Edward Island		
Michael Arfken, Board Member		
Jordan MacPhee, Board Member		
National Farmers Union		
Reg Phelan, Regional Coordinator for Region One and National Board Member		
P.E.I. Health Coalition		
Mary Boyd, Chair		
Prince Edward Island Cattle Producers		
Rinnie Bradley, Executive Director		
Brian Morrison, Chairman		
Prince Edward Island Federation of Agriculture		
Robert Godfrey, Executive Director		
Mary Robinson, President		
Prince Edward Island Fishermen's Association		
Craig Avery, President		
Ian MacPherson, Executive Director		
Prince Edward Island Potato Board		
Greg Donald, General Manager		
Mary Robinson, Producer		
Seafood Processors Association of Prince Edward Island		
Dennis King, Executive Director		
Sierra Club Canada Foundation		
Tony Reddin, Atlantic Chapter Executive Committee		

Organizations and Individuals	Date	Meeting
Trade Justice P.E.I.	2016/09/27	33
Ron Kelly, Member		
Rosalind Waters, Member		
As individuals	2016/09/28	34
Christina Dawn		
Marjorie Evans		
Sharon Halfyard		
Anthony Middleton		
Michael Power		
Mary Tee		
Association of Seafood Producers		
Derek Butler, Executive Director		
Canadian Manufacturers and Exporters		
David Haire, Vice-President		
Newfoundland and Labrador		
Citizens against CETA		
Marilyn Reid, Volunteer Spokesperson		
Council of Canadians		
Ken Kavanagh, Chair		
St. John's Chapter		
Newfoundland and Labrador Association of Technology Industries		
Ron Taylor, Chief Executive Officer		
Newfoundland and Labrador Federation of Labour		
Kerry Murray, Director		
Social Policy		
Mary Shortall, President		
Ocean Choice International L.P.		
Martin Sullivan, Chief Executive Officer		
Social Justice Cooperative of Newfoundland and Labrador		
Bill Hynd, Co-Chair		
St. John's Board of Trade		
Des Whelan, Chair		
As individuals	2016/09/29	35
Martha Asseer		
Brian Bennett		

Organizations and Individuals	Date	Meeting
As individuals	2016/09/29	35
Michael Bradfield		
Martin Bussieres		
Timothy Carrie		
Cordell Cole		
John Culjak		
Terry Farrell, Member for Cumberland North Legislative Assembly of Nova Scotia		
David Gates		
Angela Giles		
Tom Griffiths		
Susan Hirshberg		
David Rory Ladouceur		
Christopher Majka		
Darlene McIvor		
James Pollock		
Karl Risser		
Shauna Wilcox		
Atlantic Provinces Economic Council		
Finn Poschmann, President and Chief Executive Officer		
Canadian Labour Congress		
Alex Furlong, Regional Director Atlantic Region		
Common Frontiers Canada		
Janet Eaton, Representative		
Government of Nova Scotia		
Keith Colwell, Minister of Agriculture and Minister of Fisheries and Aquaculture		
Halifax International Airport Authority		
Ian Arthur, Chief Commercial Officer		
Nova Scotia Federation of Agriculture		
Victor Oulton, Director		
Chris van den Heuvel, President		
Oxford Frozen Foods Ltd.		
David Hoffman, Co-Chief Executive Officer		

Organizations and Individuals	Date	Meeting
<p>Stanfield's Limited Jon David F. Stanfield, President North America</p> <p>Unifor Lana Payne, Atlantic Regional Director</p> <p>Victoria Co-operative Fisheries Ltd. Osborne Burke, General Manager</p> <p>Wild Blueberry Producers Association of Nova Scotia Peter Rideout, Executive Director</p>	2016/09/29	35
<p>Department of Foreign Affairs, Trade and Development Dany Carriere, Deputy Chief Negotiator and Director Trans-Pacific Partnership Division André Downs, Director General and Chief Economist Kirsten Hillman, Assistant Deputy Minister Trade Agreements and Negotiations Paul Huynh, Acting Director Tariff and Goods Market Access Loris Mirella, Deputy Director Intellectual Property Trade Policy Sarah Phillips, Deputy Director Services Trade Policy</p>	2016/10/06	37
<p>Council of Canadians Lois Little, Co-Chair Northwest Territories Chapter</p> <p>K'atl'odeeche First Nation Roy Fabian, Chief Peter Redvers, Director Lands, Resources and Negotiations</p> <p>Mining Association of Canada Brendan Marshall, Vice-President Economic and Northern Affairs</p> <p>Nunavut Offshore Allocation Holders Association Jerry Ward, Chairman</p> <p>Public Service Alliance of Canada Jack Bourassa, Regional Executive Vice-President North</p> <p>Whitehorse Chamber of Commerce Richard Karp, President Stan Thompson, Chair</p>	2016/10/18	38

Organizations and Individuals	Date	Meeting
Yukon Federation of Labour Vikki Quocksister, President	2016/10/18	38
Canadian Aquaculture Industry Alliance Ruth Salmon, Executive Director	2016/10/20	39
Canadian Sugar Institute Sandra Marsden, President		
Canadian Union of Postal Workers Louis Century, Associate Lawyer Goldblatt Partners LLP Peter Denley, National Grievance Officer		
Retail Council of Canada Jason McLinton, Senior Director		
Soy Canada Jim Everson, Executive Director		
As individuals Jeronim Capaldo, Research Fellow Global Development and Environment Institute, Tufts University Alex Izurieta, Senior Economist United Nations	2016/10/25	40
Barley Council of Canada Philip de Kemp, Executive Director		
Canadian Association of Railway Suppliers Jerry Giroux, Chairman International Trade Committee Sylvia Newell, Executive Director		
Canadian Doctors for Medicare Chetan Mehta, Member		
Canadian Meat Council Ron Davidson, Director International Trade, Government and Media Relations Arnold Drung, Member of the Board of Directors		
Canadian Vehicle Manufacturers' Association Mark Nantais, President		
New Zealand High Commission H.E Daniel John Mellsop, High Commissioner of New Zealand to Canada		

Organizations and Individuals	Date	Meeting
<p>Australian High Commission</p> <p>H.E. Tony William Negus, High Commissioner of the Commonwealth of Australia to Canada</p> <p>Kamala Truelove, Second Secretary</p>	2016/10/27	41
<p>Canadian Council for International Co-operation</p> <p>David Bruer, Program Manager</p> <p>Inter Pares</p>		
<p>Canadian Life and Health Insurance Association</p> <p>Susan Murray, Vice-President</p> <p>Government and International Relations</p>		
<p>Embassy of Japan</p> <p>H.E. Kenjiro Monji, Ambassador of Japan to Canada</p> <p>Akio Isomata, Minister and Deputy Chief of Mission</p> <p>Tomotaka Shiraishi, First Secretary</p> <p>Shoichi Ueda, First Secretary</p> <p>Junichi Yokota, Counsellor</p>		
<p>Forest Products Association of Canada</p> <p>Derek Nighbor, Chief Executive Officer</p>		
<p>Embassy of the Socialist Republic of Vietnam</p> <p>H.E. Duc Hoa Nguyen, Ambassador for the Socialist Republic of Vietnam to Canada</p> <p>Minh Phuong Bui, Third Secretary</p> <p>Hung Son Nguyen, Minister Counsellor</p>	2017/02/14	56
<p>High Commission for Malaysia</p> <p>H.E. Aminah Tun Binti Hj. A. Karim, High Commissioner for Malaysia to Canada</p> <p>Tengku Zahaslan Bin Tuan Hashim, First Secretary</p>	2017/02/16	57
<p>Embassy of Japan</p> <p>H.E. Kenjiro Monji, Ambassador of Japan to Canada</p> <p>Akio Isomata, Minister and Deputy Chief of Mission</p> <p>Tomotaka Shiraishi, First Secretary</p> <p>Shoichi Ueda, First Secretary</p> <p>Junichi Yokota, Counsellor</p>	2017/02/23	59

APPENDIX B LIST OF BRIEFS

Organizations and Individuals

Adelman, Maureen

Akrigg, Mark

Alberta Federation of Labour

Alerte Pétrole Rive-Sud

Alexan, Nadia

Alliance of Canadian Cinema, Television and Radio Artists (ACTRA)

Amnesty International

Anderson, Gillian

Archives Association of British Columbia

Association pour la Taxation des Transactions financières et pour l'Action Citoyenne

Automotive Industries Association of Canada

B.C. Government and Service Employees' Union

Bates, Peter

Biggs, William M.

Board of Trade of Metropolitan Montreal

Boire, Jensen

Boots, Sean

Bradfield, Michael

British Columbia Chamber of Commerce

Brown, Lachlan

Organizations and Individuals

Brown, Nancy

Bruce-Grey-Owen Sound NDP Electoral District Association

Burk, Christopher

Business Council of Canada

Campbell, Ruth

Canada Research Chairs Program

Canada-ASEAN Business Council

Canada's Building Trades Unions

Canadian Agricultural Human Resource Council

Canadian Agri-Food Trade Alliance

Canadian Association of Physicians for the Environment

Canadian Association of Railway Suppliers

Canadian Association of University Teachers

Canadian Bar Association

Canadian Canola Growers Association

Canadian Council of Archives

Canadian Doctors for Medicare

Canadian Environmental Law Association

Canadian Federation of Nurses Unions

Canadian Health Coalition

Canadian HIV/AIDS Legal Network

Canadian Journalists for Free Expression

Organizations and Individuals

Canadian Life and Health Insurance Association

Canadian Manufacturers and Exporters

Canadian Meat Council

Canadian Media Producers Association

Canadian Nurses Association

Canadian Pork Council

Canadian Services Coalition

Canadian Steel Producers Association

Canadian Union of Postal Workers

Canadian Union of Public Employees

Canadian Union of Public Employees - Local 543

Canadian Unitarians for Social Justice

Canadian Vehicle Manufacturers' Association

Canamar, Mario

Canola Council of Canada

Carlisle, Benjamin

Centre for Law and Democracy

Chow, Jackie

Chowdhury, Anis

Citizens against CETA

Citizens' Democracy Forum

Ciuriak, Dan

Organizations and Individuals

Common Frontiers Canada

Communications Workers of America Canada

Concord Premium Meats

Confédération des syndicats nationaux

Council of Canadians

Council of Canadians - Comox Valley Chapter

Council of Canadians - Hamilton Chapter

Council of Canadians - North Shore Chapter

Council of Canadians - St. John's Chapter

Coxworth, Ann

DeJong, Minnie

District of Saanich

Doctors Without Borders

Dryden, Jean

Ecojustice Canada

Enns, Shannon

Erban, Joseph

Fédération interprofessionnelle de la santé du Québec

Ferguson, Tracey

Fertilizer Canada

Fish, Michael

Ford Motor Company of Canada Limited

Organizations and Individuals

Gersher, Sarina

Gilling, Joseph

Girl Guides of Canada

Glass, Emily

Gombay, Nicole

Gordanier-Smith, Kate

Grandmothers Advocacy Network

Green, Kathryn

Grist, E. Lin

Haas-Lubelsky, Marietta

Haustein, Gerry

Hayes, E.W. Ted

Hayward, Brian

Health Sciences Association of Alberta

Health Sciences Association of BC

Henkewick, Judith

Henry, David

Herbert, Carolyn

Herman, Lawrence

Heward, Brian

Hidlebaugh, Murray

Hill, Ken

Organizations and Individuals

Hleucka, Bryce

Hobbs, David

Holley, Rex

Honeybourne, Larry

Hopkins, Edwin

Hu, Jia

Hulsebosch, Kendra

Inter Pares

International Cheese Council of Canada

Internet Association

Japan Automobile Manufacturers Association of Canada

Keller, Wilf

Kettle, Helen

Khan, Osama

Kitchen, Glenn

Lascaris, Dimitri

Laursen, Sheila

Les Éleveurs de volailles du Québec

Les Producteurs de lait du Québec

Les Viandes du Breton Inc.

Lexchin, Joel

Lloyd, Susan

Organizations and Individuals

London Food Co-operative

London North Centre Federal NDP Riding Association

MacKenzie, Gregory

Macrimmon, Christian

Mah, Emmay

Manitoba Government and General Employees' Union

Maple Leaf Foods Inc.

Marcus, Yvonne

Martin, Joanne

Maurice, Patti

May, Elizabeth

Mayer, Allana

McCall, Norman

McKechney, Margaret

Mitchell, Diane

Moore, Ellen

Nair, Meera

National Cattle Feeders' Association

National Farmers Union, Region 1, District 1

National Marine Manufacturers Association Canada

National Union of Public and General Employees

Nelson, Brandon

Organizations and Individuals

New Brunswick Union of Public and Private Employees

Newfoundland and Labrador Federation of Labour

Niagara Regional Labour Council

O'Connor, Kathleen

Ontario Pork

Ontario Public Service Employees Union

Oyama, Wallace

Phillips, Peter W.B.

Pike, Bev

Pogue, Rosemary

Prebble, Peter

Prince Edward Island Cattle Producers

Prince Edward Island Committee of the Maritime - Guatemala Breaking the Silence Network

Prince Edward Island Food Security Network

Progressive Librarians Guild of the Greater Toronto Area

Public Service Alliance of Canada

Rezel, Rohana

Ridd, Laurel

Rocha, Matias

Russell, Mervyn

Saskatchewan Government and General Employees' Union

Sayers, Brenda

Organizations and Individuals

Schykulski, Ken

Scotiabank

Service Employees International Union-West

Shepherd, William

Simkin, Leah

Skotidakis Inc.

Small, Bertha

Society of Composers, Authors and Music Publishers of Canada

Soy Canada

Spirits Canada

Stockburger, Katherine

Sundaram, Jomo Kwame

Support Our Health Care

Tcholakov, Yassen

Teamsters Canada

The Group of 78

Thompson, Monica

Tippett, Paula

Tracy, Nicholas

Trade Justice Network

Trade Justice P.E.I.

Tremblay, R. Brent

Organizations and Individuals

Trudeau, Larry

Trumpler, Judith

Turkey Farmers of Canada

Unifor

Unifor

Unifor - Local 1325 Retired Workers Chapter

Unifor - Local 199 Retired Workers Chapter

Unifor Local 195

Unifor Local 88

Union des producteurs agricoles

United Steelworkers

UPS Canada

Urquhart, David

Van Harten, Gus

Vancouver Rape Relief and Women's Shelter

Vezina, Elizabeth

Walker, Peter

Walsh, Molly

Walton, Rosalind

Weichel, Bert

Wineland, Silvia

Wiseman, Vivian

Organizations and Individuals

Wolfe, Robert

Yeo, Craig

Young, Eric

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 3-6, 10-13, 15-20, 22-24, 26-27, 31-35, 37-41, 53-61](#)) is tabled.

Respectfully submitted,

Hon. Mark Eyking, P.C., M.P.
Chair

**SUPPLEMENTARY OPINION BY THE OFFICIAL OPPOSITION
CONSERVATIVE PARTY OF CANADA
THE TRANS-PACIFIC PARTNERSHIP AGREEMENT**

INTRODUCTION

The Conservative Party of Canada (CPC) greatly appreciates the work of the Committee, its Chair and Members, the Clerk and his staff, including the dedicated analysts, as well as the translation and technical teams. We would also like to thank the hundreds of witnesses who participated and submitted briefs as part of the Committee's study of the Trans-Pacific Partnership (TPP) agreement during this session as well as in previous sessions of Parliament.

As our history has shown, the CPC strongly supports international trade initiatives that generate increased economic activity, jobs and a greater understanding and collaborative relationship between emerging economies and our democratic, streamlined and free enterprise approach to governance.

We emphasize the importance of secure access to international markets through a rules-based trading system and the reduction of international trade barriers and tariffs. We believe that Canada should strive to maximize the benefits we have as a free trading nation, and underscore the need to establish trading relationships beyond North America.

Accordingly, that is why the previous Conservative government negotiated and concluded the TPP, signing the agreement in principle on October 5, 2015. It is an ambitious and comprehensive 21st century agreement that will promote economic growth; support higher paying jobs; enhance innovation, productivity and competitiveness; raise standards of living; reduce poverty; and promote transparency, good governance, and strong protections for labour and the environment.

The CPC believes that this study should have taken into consideration statements of record made by key witnesses during previous Committee studies of the TPP, such as those made by Canada's Chief Negotiator for the TPP. We hope to clarify and emphasize certain points in this Supplemental Opinion.

BACKGROUND

The TPP was concluded 28 years after negotiators completed the Canada-US Free Trade Agreement. We have seen incredible technological advances since then and in light of new realities, the TPP aims to set a new standard of global trade while taking up next-generation issues.

The TPP captures a diverse group of countries in that they greatly vary in geography, language, history, size, and levels of development. This uniting agreement is inclusive

by nature and has the propensity to attract other countries to join as it would set a high level standard for trade in the Asia-Pacific region.

“The Trans-Pacific Partnership is also an historic opportunity for Canada to set an ambitious trade agenda with the fastest-growing economies on the planet. It is a chance for Canada’s small businesses to integrate themselves into key supply chains and markets in the Asia-Pacific. TPP provides an excellent stepping stone towards even more free and open trade agreements in the Asia-Pacific. TPP was always conceived of as a living agreement that will continue to evolve over time, both in substance and in membership.”

-H.E. Daniel John Mellsop, High Commissioner of New Zealand to Canada, October 25, 2016

“[I] think the more that countries trade with each other and understand each other, in that regard, it can only benefit the wider group.”

-H.E. Tony Negus, High Commissioner of Australia to Canada, October 27, 2016

“[T]he TPP is an unprecedented free trade agreement for its scale and level of standards.”

-H.E. Kenjiro Monji, Ambassador of Japan to Canada, October 27, 2016

The TPP eliminates or reduces tariff and non-tariff barriers across virtually all trade, including goods and services trade and investment. It will create new opportunities and benefits for Canadian businesses, workers and consumers. The agreement will facilitate the development of production and supply chains, enhance efficiency, create and sustain well-paying jobs, raise living standards, enhance conservation efforts, enforce labour and environmental standards and foster greater foreign investments.

“[The TPP] also affords us the opportunity to increase protections for workers and the environment and promote human rights, including strong prohibitions against human trafficking and child labour.”

-President Barack Obama, Joint Address, House of Commons, June 29, 2016

The TPP also promotes innovation, productivity, and competitiveness by addressing new issues, including the development of the digital economy and the role of state-owned enterprises in the global economy. New elements are included in the agreement which seek to ensure that economies at all levels of development, and businesses of all sizes, can benefit from trade. Canada made commitments to help small and medium-sized enterprises understand the TPP and take advantage of its opportunities, including those in development and trade capacity building.

FAILURE TO LEAD

Since signing the TPP on February 4, 2016, the current Liberal Government has not treated trade liberalization as a priority, thereby jeopardizing the Canadian economy, well-paying jobs and our country's overall competitiveness on the world stage. This deficiency in judgement is reflected in the government's lack of leadership among the TPP signatories and constant indecision and delay in advancing the TPP through Parliament. The Prime Minister promised Canadians a full and open debate in the House of Commons on the TPP, which has yet come to pass after over a year in government.

In addition, as the Liberal Government focuses on policies that harm Canada's export competitiveness – including the imposition of a carbon tax, expanded payroll taxes, and the delay of small business tax cuts – other TPP countries have gained an advantage by repealing carbon taxes, lowering corporate tax rates and pursuing parallel trade agreements like the Regional Comprehensive Economic Partnership (RCEP). Though not as ambitious as the TPP, the China-led RCEP is viewed by some as an alternative to the TPP.

Furthermore, the Liberal Government has been consistently silent on the world stage when it comes to promoting trade liberalization. At the G7 Summit in Japan in May 2016, the Liberal government left Canada voiceless on the TPP. The following month at the North American Leader's Summit on home soil in Ottawa the Liberal government was again silent, while hosting our closest TPP partners. This trend was continued by the Liberals at the G20 Summit in China in September 2016 and the Asia-Pacific Economic Cooperation Leaders' Meeting in Peru in November 2016.

It has been clear to all observers that the Liberal government chose to allow the political environment in the United States to dictate Canada's policy on the TPP and our Asia-Pacific trade agenda.

Now with the United States having formally withdrawn from the TPP and over a year after signing the agreement, the Liberal government has still refused to take a position on an agreement that they know is in the best interest of Canadians. Japan has ratified the TPP and other remaining signatories like Australia, New Zealand and Vietnam have pledged to continue to pursue the TPP without the involvement of the United States.

Accordingly, and in consideration of recent events surrounding the TPP, the CPC maintains our support for the agreement and we urge the Government of Canada to pursue a trade pact with the remaining signatories. Failure to do so will come at great cost to the Canadian economy.

GOVERNMENT CONSULTATIONS

The topic of government consultations on the TPP was raised by certain witnesses appearing before the Committee. This testimony referring to a lack of consultation, engagement and transparency by the government prior to November 2015 is based on conjecture and lacks evidentiary support. Conversely, there were also many witnesses who stated that they were satisfied with the amount of consultation that had taken place prior to November 2015. In fact, those groups who have a stake in international trade agreements and are proactive on these files had no concerns with the process.

In a statement before the Committee, Canada's Chief Negotiator for the TPP, [Kirsten Hillman](#), was asked about the appropriate balance of transparency and confidentiality during negotiations:

“The way in which we approach, and have historically always approached, trade negotiations is to balance the requirement [for transparency and confidentiality]... and a trade negotiation is no different from any other negotiation that one might have in any other business context or labour context. There's a certain amount of confidentiality that's required in order to maintain our negotiating partner's trust. People have to take steps to be able to test the waters with certain ideas, get reactions, and see if those ideas are worthwhile in an environment where they feel comfortable that this will not become public, or they won't take those chances.

Like any negotiation—I'm not telling any of you anything you don't already know—in that context there has to be a certain amount of negotiating confidentiality or it just won't work. Nobody can negotiate in the public eye.

That being said, this is a government initiative for the benefit of Canadians, for the benefit of our businesses, our citizens, our workforce. Therefore, the positions that we as public servants are asked to take at the table are informed 100% by the consultations we have within the government and in Canadian society at large.

We have a very robust consultation mechanism or series of tools in this negotiation, similar to everything we've had in other negotiations as well. We have our Canada Gazette process that we launched before the negotiations were initiated in December 2011. We received 79 submissions from companies, associations, civil society, provinces, individuals, and a variety of sources. We have a consultation mechanism whereby we have regular information briefings to hundreds of Canadian businesses in civil society, stakeholders, on a regular basis as the negotiations progress. We do this through webinars. We have an online tool and mailbox. We receive written submissions, we answer back, and we also meet with specific groups, either in the business community or others, who ask us to meet and discuss what's going on in their specific areas of interest.

Within the confines of the trust we have with our negotiating partners, we reach out in a multitude of ways to inform our negotiating positions. That is the mechanism we use to make sure that the information is getting out to those who are most interested in it in relation to the TPP.

The other thing that I think is really interesting about this negotiation, and that I've never seen before in my career in this area, is that the TPP itself, during all of the formal negotiating rounds, had what was called a "stakeholder day". Negotiations were suspended for a day and stakeholders from any TPP country were invited to come and make presentations to not only negotiators from their own country but to negotiators from all TPP countries. Then we had a question and answer period.

I've never seen anything quite like it before. Many Canadian stakeholders participated in that. It also gave us an opportunity to provide them with a forum to talk to negotiators from every other TPP country should they so desire. I think really the openness of this negotiation is unlike anything I've ever seen before."
-Kirsten Hillman, Canada's Chief Negotiator, Trans-Pacific Partnership, March 25, 2014

Indeed, some claims about a lack of involvement and accessibility of negotiators and government may have been based on an organization's awareness or willingness to participate, rather than the availability or proactive outreach of Canada's negotiators and government. [Mr. John Masswohl](#), Director for the Canadian Cattlemen's Association, spoke about his association's involvement during TPP negotiations when asked by the Committee:

"[W]e don't sit around and wait for the phone to ring. When we have a view on something, we find out who is working on it and we get engaged.

I was trying to make myself a little note of how many of the TPP negotiating sessions we went to. Certainly we've had lots of meetings with the negotiators here in Ottawa, but we were at the first meeting Canada was at in Auckland. We were in Singapore three times.

[W]e want to be there because the negotiation goes through a life cycle. In the early days, they're trying to figure out the priorities and what they are trying to achieve. They can only achieve things if people tell them what they are. Then the middle of the negotiation gets into how to achieve that. What are the objections from other countries?

[T]he government is willing, and in fact eager, to consult with people who have views, who can make these agreements better. My view is, if you weren't consulted, you really didn't try very hard."

-John Masswohl, Director for the Canadian Cattlemen's Association, June 16, 2016

In contrast, the Committee heard from witnesses like [Mr. Phil Benson](#), a lobbyist for Teamsters Canada, who claimed to have not been consulted about the allotment of quota for dairy products. When asked whether or not he was “[o]ffered the ability to sign a non-disclosure agreement,” Mr. Benson would not confirm that his organization was denied an opportunity, nor were they unaware of ongoing negotiations, but that they chose not to sign a non-disclosure agreement to consult “[a]s a matter of policy.”

Indeed, in her testimony to the Committee in October 2016, [Ms. Hillman](#) stated for the record that no one was prevented from participating in the consultation and negotiation process for the TPP who was willing to sign a non-disclosure agreement, something which is standard practice in international trade negotiations.

Lastly, in addition to this Committee’s current study of the TPP, two additional studies were completed by the Committee in previous sessions of parliament, one in [2013](#) followed by another in [2014](#). The studies were completed in parallel with ongoing consultations during negotiations of the TPP.

“On the TPP, Minister, I just want to maybe get the record straight. The reality is that there was a prestudy done in the last session, and that prestudy you did not attend. Your colleague Mr. Pacetti attended on your behalf.”

I also want to get the record straight that Don Davies—Mr. Merrifield was the chair at the time—held receptions after every meeting. To those receptions Mr. Davies invited organized labour, the Chamber of Commerce, and other groups. Not only did they have the formal presentations, where they actually had witnesses like we do in a normal hearing, they actually had the informal consultations. I think if you had been there, you would have realized there were extensive consultations.”

-Randy Hoback, MP (Prince Albert), May 19, 2016

U.S. WITHDRAWAL AND RATIFICATION OF THE TRANS-PACIFIC PARTNERSHIP

With the withdrawal of the United States from the TPP, maintaining access to their market must be Canada’s number one international trade priority and any steps forward in the Asia-Pacific region must align with this in mind. It is imperative that future free trade agreements that Canada signs must not undermine our relationship with the United States, especially with NAFTA renegotiations on the horizon.

On ratifying the TPP, it is within the capacity of the remaining signatories, including Canada, to modify entry into force provisions given the new reality, life post U.S. withdrawal.

Japan has already ratified the TPP, with Australia and New Zealand having publicly stated their intentions to pursue the agreement without the United States. The CPC has been consistent in saying that the political climate in other countries should not dictate Canada’s position when it comes to our country’s foreign trade policy. We have stated

since the beginning of 2016 that if the U.S. is no longer a part of the TPP, that Canada must be ready to forge a new agreement with the 10 remaining signatories.

We agree with the witnesses who have come forward stating the importance of the Japanese market to Canada. Some witnesses have proposed that the Government of Canada should pursue a bilateral agreement with Japan. While in government and in parallel with the TPP, the Conservative Party was able to conclude 7 rounds of negotiations with Japan, as part of the Canada-Japan Economic Partnership Agreement. We would encourage the Liberal government to explore a similar approach going forward.

While the CPC feels that the Government of Canada's main trade priority in the Asia-Pacific should be Japan, we must not lose focus or abandon the principles that brought together such diverse countries in an effort to raise the standards of global trade in the region. Pursuing the TPP can take on many forms, including bilateral agreements with the remaining signatories, which is something that the government can also evaluate.

Although Canada may ultimately have to pursue bilateral agreements with our TPP partners, we believe a multilateral deal involving these countries would better advance our strategic and economic interest, particularly in light of efforts by China to dominate the trade agenda in the Asia-Pacific.

A TPP-like approach to the Asia-Pacific is advantageous in that it involves like-minded countries with high standards. Pursuing such a platform, to which China can later accede, is preferable to negotiating a bilateral agreement where we would have limited bargaining power and could risk upsetting our trade relations with the United States. Canada should therefore abstain from initiating formal bilateral negotiations with China until we have exhausted the potential for an agreement modeled on the TPP.

"[T]he TPP is an unprecedented free trade agreement in its scale and its level of standards. [T]he TPP is an open agreement, meaning that any country or custom territory able to meet the high standards are welcomed to join. [T]he TPP is not only a gigantic free trade agreement, but also a strategic deal among countries sharing the same fundamental values such as democracy, human rights, and rule of law."

-H.E. Kenjiro Monji, Ambassador of Japan to Canada, February 23, 2017

A pact with our allies in the Asia-Pacific region would make Canada the gateway to North America and it would lead to a more ambitious and beneficial trade relationship between Canada and China in the long run.

**DISSENTING OPINION
NEW DEMOCRATIC PARTY OF CANADA**

INTRODUCTION

The NDP thanks the Committee members, staff, analysts, witnesses, and the tens of thousands of Canadians who participated in this year-long, cross-country study of the Trans-Pacific Partnership Agreement (TPP).

The NDP believes that promoting trade and commerce with the Asia-Pacific region is important to Canada's economic prosperity. We support deepening trade relations with key partners in the region to create new opportunities for Canadian exporters, which would generate job creation and economic growth for Canadian workers and communities.

The terms of this multilateral agreement are far broader than simply tariff reduction. It affects public regulation of investment, intellectual property, and even immigration. Furthermore, independent analysis suggests Canada would lose tens of thousands of jobs, primarily in our auto and dairy sectors, if the TPP comes into force.

Of course, the United States' decision to withdraw from the TPP clearly means the agreement cannot enter into force as it was negotiated. While some have suggested the terms of the agreement could be amended to remove provisions requiring U.S. ratification, it would be foolish for Canada to ratify such a revised agreement.

The U.S. was the architect of the TPP, with Canada joining many years and negotiating rounds later. Canada's late entry required acceptance of all previously negotiated terms. As evidenced in the Committee's report and will be expanded upon in the NDP's dissenting opinion, the final negotiated text contains numerous provisions that are an affront to the Canadian public interest.

It's difficult to believe that after a year of study, consultation and analysis, the Liberal government is still not prepared to reject the TPP. The NDP calls on the Government of Canada to formally withdraw from the TPP, and to pursue an alternative agenda for strengthening and deepening trade relations in the Asia-Pacific region.

COMMITTEE PROCESS

The NDP cautions the government from using committees as their tools for conducting government consultations. While it's laudable for committees to undertake comprehensive studies that aim to publicly engage Canadians on key public policy issues, it was evident throughout this process that our Committee was not equipped to undertake the broad, meaningful consultations that Canadians were promised and deserve.

Examples of this include: email servers unequipped to accept the tens of thousands of incoming submissions from Canadians; lack of resources to translate all submissions into both official languages, which is contrary to Committee standards of bilingualism; inability to travel to the Territories or beyond one city per province; Canadians largely unaware that our Committee was travelling to their province or community due to little notice and no advertising; and Committee hearings held outside of Ottawa that provided no video or audio feeds.

Furthermore, a key tenet of a public consultation is the notion that the public's input can shape the decision-making process on the policy matter at hand. While our Committee has the ability to report to Parliament on our consultations, it has no power to directly impact government policy-making.

TRANSPARENCY

The NDP has long called for greater transparency in trade agreement negotiations. The previous Conservative government was widely criticized for negotiating the TPP behind closed doors. This is unacceptable for a deal of such magnitude, which affects so many areas of Canada's economy and society – including several areas of policy that have never been subject to trade agreements before. The government must lift the veil of secrecy on trade negotiations.

“I'd like to note that our work to educate Canadians about the TPP was no easy task, as the details of this agreement were kept secret until the full text was published less than six months ago. Our only means of information was reading the tea leaves of leaked documents and mining information from inside sources. From when the TPP was published, on November 5, 2015, until it was signed, on February 5, 2016, Canadian experts and the public had less than 90 days to assess the impact of over 7,300 pages of this agreement. I had intended to bring the whole 7,300 pages with me today for reference, and it would have cost me over \$1,100 in printing alone.” –[Meghan Sali](#) (*Digital Rights Specialist, OpenMedia*)

A recent [report](#) by the Senate Standing Committee on Foreign Affairs and International Trade outlined several possible mechanisms to increase transparency in trade negotiations, including establishing a formal consultation process when defining a negotiating mandate and reporting throughout the negotiation process to the relevant House and Senate standing committees.

The NDP urges the Liberal government to follow through on their commitments to set a higher standard for transparency in trade negotiations. We did not see this with the Canada-EU agreement, but will continue to push for better as the government embarks on FTA negotiations with China and continues to negotiate the Trade in Services Agreement (TiSA).

GOVERNMENT CONSULTATIONS

Despite the Committee's study being called a public consultation, the Committee's report gives little attention to the input provided by members of the public. The report provides no analysis or breakdown of the nearly 50,000 emails and letters received by the Committee. It is worth noting that every individual who spoke at the public participation sessions expressed concerns with the TPP and in most cases opposed the agreement outright.

Furthermore, despite Global Affairs Canada receiving over 30,000 public submissions between October 19, 2015 and June 24, 2016, the Minister of International Affairs failed to provide the Committee with any analysis or breakdown of the results of these consultations.

The level of government consultation was a frequently raised issue during the Committee's study. While many industry groups reported feeling well consulted, many other groups felt the opposite to be true and in some cases groups reported that their requests to meet with government officials were denied. Multiple witnesses made the valid observation that it was pointless to suggest possible changes to the TPP given that the government already made it clear there would be no changes to the final text.

The government's continued failure to uphold its commitments to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) when it comes to trade agreements is also of deep concern.

“The government should immediately consult with all First Nations, especially those who will be directly affected, on the potential impact of TPP on First Nations rights, especially the right of self-determination.”
– [National Chief Perry Bellegarde](#) (*National Chief, Assembly of First Nations*)

In future negotiations, the government should consult the public at a point in time when the agreement can still be changed. Consultations should be broad, meaningful and proactive. They should engage Canadians from all sectors and backgrounds – not just well-connected industry groups. Finally, the government must take seriously its duty to obtain free, prior and informed consent from Indigenous peoples before signing onto trade agreements.

INVESTMENT PROTECTION & ISDS

The NDP believes investor-state provisions that privilege corporations in a way that conflicts with the public interest do not belong in trade agreements. These provisions allow foreign investors to bypass domestic court systems. Arbitration tribunals, which lack accountability, can order governments to compensate investors who are allegedly harmed by public policies or regulations.

Under NAFTA's Chapter 11 investor-state provisions, Canada is the most sued country. More than 70% of claims under NAFTA since 2005 have been brought against Canada. Litigation is costly and the threat of litigation alone has prevented Canadian governments from regulating in the public interest ('regulatory chill').

The fact that the TPP has to specifically carve-out tobacco control measures from its ISDS rules demonstrates the potential implications of such provisions on countries' abilities to adopt public health and environmental measures. Witnesses repeatedly raised such concerns with the Committee, believing that the TPP's investment protection rules are an affront to Canadian sovereignty.

INTELLECTUAL PROPERTY RIGHTS

Many Committee witnesses raised concerns over the TPP's sweeping changes to intellectual property (IP) rights related to copyright, patents and trademarks. Many of these provisions would benefit big U.S. corporations, not Canadian consumers or innovators. In addition to strong testimony documented in the Committee report from witnesses such as Michael Geist, Jim Balsillie, and various health and labour groups, the Committee received briefs and submissions from dozens of other concerned Canadians representing broad cross-sections of society.

Prescription drugs

The TPP locks in a series of IP policies (data exclusivity, patent term extensions) recently implemented by the Conservative government that will ensure Canada continues to have the second highest per-capita drug costs in the OECD. The Health Annex of the TPP contains provisions that will seriously undermine the ability of governments that attempt to use bulk purchasing to improve their bargaining position and get better drug prices from large pharmaceutical companies.

Digital rights

The TPP obliges member countries to create criminal penalties for individuals who circumvent 'digital locks' and rights management information such as people who use software to copy their DVDs onto their computers. It will also prevent governments from requiring that data be stored on Canadian servers in Canada. This means there will be nothing to stop sensitive Canadian data from being stored on servers in the U.S., where the *Patriot Act* grants access to U.S. authorities.

AUTO MANUFACTURING JOBS

It's been estimated that the TPP will result in the loss of 20,000 Canadian automotive manufacturing jobs. This is due to revised regional value content rules for auto parts and automobiles, and asymmetrical tariff phase-out terms for Canada and the U.S.

Many witnesses highlighted the need to reject TPP provisions that fail to respect the integrated nature of the North American auto sector. In addition, the Mayors of twenty Ontario communities have come together to urge the Liberal government to protect auto

sector jobs by not undermining the competitiveness of a sector that directly employs more than 115,000 people.

DAIRY SECTOR

Continuing in the same vein as CETA, the TPP will chip away at Canada's supply management system. Allowing additional imports will result in thousands of job losses and deep revenue cuts for Canadian farmers and producers.

The previous Conservative government had promised a \$4.3 billion compensation package for supply management farmers affected by CETA and the TPP. The Liberal government finally announced a \$350 million package for dairy farmers, which falls far short of compensating the sector for the losses they will incur.

Absent in the Committee report is mention of the TPP side deal requiring Canada to work towards harmonizing food safety regulations regarding dairy with the U.S. Witnesses warned this could lead to milk produced from cows treated with Bovine Growth Hormones gaining access to Canada.

TEMPORARY ENTRY FOR BUSINESS PERSONS

Chapter 12 of the TPP expands loopholes that allow companies to bring in temporary foreign workers without a permit process or study of labour market impacts. The Committee report summarizes well the concerns raised by trade unions that these provisions will lead to foreign workers replacing Canadian skilled workers on Canadian job sites.

These provisions are unprecedented. According to Canada's Building Trades Unions, "[n]ever before have hands-on workers like people in the building trades been directly named or affected in a Canadian trade deal." Canada should have followed the U.S.' lead and refused to sign onto these provisions.

FOREIGN TAKEOVERS

The TPP dramatically reduces the number of foreign takeovers that are subject to any review by more than doubling the threshold from \$600 million to \$1.5 billion. This will mean less input from Canadians, less transparency, and less assurance that foreign takeovers are in the best interests of Canada.

NDP RECOMMENDATIONS

1. That the Government of Canada formally withdraw from the TPP, and focus on negotiating bilateral trade agreements with strategic partners in the Asia-Pacific region.

2. That the Government of Canada seek to resume negotiations with Japan for an economic partnership agreement.
3. That the Government of Canada draw on the consultations conducted by the Committee to encourage and promote increased trade for Canadian small and medium-sized enterprises within existing market opportunities in the Asia-Pacific region.
4. That the Government of Canada increase the visibility of the services and tools available to Canadian companies, particularly small and medium-sized enterprises, seeking to extend their activities to international markets.
5. That the Government of Canada establish and coordinate a “one-stop shop” where Canadian small and medium-sized enterprises would have access to the range of resources dedicated to them.
6. That the Government of Canada address non-tariff barriers that inhibit fair access to TPP markets.
7. That the Government of Canada respect and uphold its UNDRIP commitments by obtaining the free, prior and informed consent of Indigenous peoples in Canada before signing any future trade agreements.
8. That if the Government of Canada pursues an alternative multilateral agreement with TPP signatory countries, they conduct broad and meaningful public consultations with Canadians, including industry, labour and civil society; provinces, territories and municipalities; and First Nations, Inuit and Métis communities.
9. That the Government of Canada provide greater transparency during trade negotiations by directly engaging Canadians through consultations and providing regular briefings to Parliamentarians.
10. That prior to the conclusion or signing of any future trade agreement, the Government of Canada commission an independent study of the agreement's expected costs and benefits.
11. That prior to the conclusion or signing of any future trade agreement, the Government of Canada release any studies or analysis of the expected impacts of the agreement on Canadian jobs and GDP.
12. That the Government of Canada promptly disclose all costing estimates relating to potential increases to prescription drug costs to all provinces, territories, individual Canadians and employers resulting from proposed changes to patent laws in both CETA and the TPP, as well as details of financial compensation that should be paid to Canadian provinces, territories, individuals and employers.

13. That the Government of Canada implement strategies to encourage investment in research and development by pharmaceutical companies in Canada.
14. That future trade agreements do not include investor-state arbitration provisions that permit foreign corporations to bypass domestic courts.
15. That the Government of Canada protect future policy flexibility at all levels of government to expand public services or return privatized sectors to the public sector without the threat of litigation.
16. That the Government of Canada defend intellectual property rights that benefit Canadian consumers and innovators in all future trade and investment agreement negotiations.
17. That future trade agreements do not include provisions related to the Temporary Entry of Business Persons.
18. That future trade agreements respect the integrated nature of the North American auto industry.
19. That the Government of Canada collect and annually assess data on foreign takeovers of Canadian companies valued under \$1.5 billion which are not subjected to a net benefit analysis of the takeover's impact on Canadian national interests.
20. That the Government of Canada strengthen the *Investment Canada Act* to protect Canadian jobs and ensure that foreign takeovers of domestic companies provide a net benefit to Canada.
21. That if the Government of Canada pursues an alternative multilateral agreement with TPP signatory countries, the final text include commitments to strong and enforceable currency disciplines.
22. That the Government of Canada fully defend supply-managed sectors in all future trade agreement negotiations.
23. That the Government of Canada make the protection and promotion of standards in environment, labour and human rights core elements of any and all future trade and investment agreements, including by subjecting any proposed agreement to comprehensive environmental, human rights and labour impact assessments, along with implementing effective regular monitoring and enforcement mechanisms after an agreement comes into force.

