

# Leak offers hints on Canada-Europe trade negotiations

Negotiating position from October suggests exemptions for agriculture, telecommunications

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Leaked documents suggest Canada is seeking to carve out telecommunications and agriculture from any new trade agreement with the European Union.

But there is no exemption for water services, a sore point with critics of the negotiations with the world's richest market.

Trade Minister Ed Fast has called a European trade, services and investment pact one of the Conservative government's top priorities, arguing it will spur about \$12 billion in additional economic activity.

The government has said it wants to reach a deal this year with the 27 nations of the EU, and negotiations are set to resume again later this month.

But little is known about what has gone on behind closed doors since talks began in 2009.

The documents released Wednesday by RQIC, a network of Quebec civil society groups and unions, are the first public glimpse of the list of exemptions Ottawa and the provinces have proposed for protection under any new deal.

They represent the starting position submitted to the EU in October, however, and some may be dropped in future sessions. It is not known what is on the EU exclusion list.

A spokesman for RQIC said the group is still analysing more than 200 pages of exempted items, but the lack of a set-aside for municipal water systems sticks out like a sore thumb.

"This opens open up any public procurement on water, any public contract will need to be opened up to multinationals," said Pierre-Yves Serinet of RQIC.

"Water is under municipal (control) but we know infrastructure is very old and needs big investments in the near future, so the control of drinking water and also waste water is a big concern."

The Council of Canadians and the Canadian Union of Public Employees, in a

release to be issued Thursday, argue the deal would mark the first time Canada has allowed drinking water to become part of a trade agreement. And it could open up municipalities to lawsuits from European water operators.

"If CETA were signed today ... municipalities who choose a public-private partnership for a water or wastewater facility become vulnerable to corporate lawsuits demanding compensation for lost profits under the investor-state dispute mechanism," the release states.

Overall, the leaked documents show Canada and the provinces are putting most things on the table, Council trade expert Stuart Trew said in an interview.

"It looks like a long list (of exemptions), but it's not that long. It's the most ambitious offer that Canada has ever made in a trade agreement," he explained. "On its own, it would go beyond what we've offered other countries."

He added that exemptions proposed by the provinces, with the exception of Ontario and Quebec, are a short list.

A spokesman for Fast said the minister would not comment on the leaked documents, but added he would "strongly caution" against taking the list at face value. "Negotiations are ongoing and we will only sign an agreement in the best interests of all Canadians," Adam Taylor said in an email response.

On the protected list of sectors is agriculture, which suggests a Harper government that recently legislated an end to the single-desk Canadian Wheat Board wants to maintain Canada's controversial supply management system in eggs, dairy and poultry.

As well, although the Conservatives have signalled intentions to loosen foreign investment rules in the Canadian telecommunications sector, Canada's initial position seeks to keep the current restrictions in place.

"Canada reserves the right to adopt or maintain any measure ... limiting foreign investment in facilities-based telecommunications service suppliers," the document states. It also restricts Canada from making the current rules more stringent, however.

The province of Ontario is seeking to exclude procurement for renewable energy projects, and Quebec wants a set-aside for cultural industries.

The leaked lists cover only services and investment. Canadian negotiators presented their exemption lists for the sensitive area of government procurement in July, but they remain secret.