

Saskatoon may seek trade deal exemption

BY DAVID HUTTON, THE STARPHOENIX

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Saskatoon should request an exemption to a large-scale free-trade agreement being negotiated between Canada and Europe, a city committee agreed.

City councillors, sitting as an executive committee, voted 5-4 Monday to seek a permanent exemption to the proposed Canada-European Union Comprehensive Economic and Trade Agreement, or CETA, a free trade and economic integration pact between Canada and the 27 European Union countries that is in the final stages of negotiation.

The resolution still requires council approval in February and will face some difficulty with two right-of-centre councillors, Coun. Myles Heidt and Coun. Randy Donauer, absent at the committee Tuesday.

Coun. Ann Iwanchuk, who made the motion, said the agreement could take away the ability of cities to bring in tools to support local economic activity.

“The agreement has been negotiated behind closed doors,” she said. “It could take away a lot of the rights and responsibilities we have as councillors.”

The massive free trade pact with Europe will have little effect on Saskatoon’s city hall, which is already open to bids from around the globe and doesn’t have a local procurement policy, a report to council says.

Opening up bids on most city contracts to Europe could “lead to greater competition among bidders, and thus, lower prices for municipalities and other orders of government for construction projects,” said a report to council’s executive committee Monday from Mike Jordan, Saskatoon’s intergovernmental relations manager.

“The advantage is that it opens up a whole new market for bidding, at least in theory.” Jordan told the committee.

The free-trade pact would have a much wider scope than existing deals such as NAFTA. It would allow more open labour mobility between Canada and Europe and open up government contracts with the private sector to bidding from European companies on contracts over \$8.5 million.

A few municipalities, including Lashburn and Esterhazy in Saskatchewan and Hamilton, Ont., have passed resolutions opposed to CETA, arguing water utilities should be taken off the table to avoid takeovers from European firms.

Mayor Don Atchison, who voted against requesting an exemption, said he is in favour of more competition, which leads to better prices.

“Local suppliers have a chance to participate,” Atchison said. “But we are in a global marketplace. It’s far better off to be a willing participant than to be shut out in other markets.”

Access to government procurement at federal, provincial, municipal, regional and local governments, as well as Crown corporations and utilities, is Europe’s main goal in the pact. Saskatoon has seen interest from European firms on a small number of major

infrastructure projects, including the \$300-million Circle Drive South project, which drew a bid from a Spanish firm.

Cities only have to be concerned about the effect on construction contracts, not the takeover of city-owned utilities, according to a briefing from provincial officials, Jordan said

“I’m confident from the information I’ve received there’s not much need to be concerned about that aspect of it,” Jordan said.

Coun. Charlie Clark questioned if the private sector could challenge the city to open up municipally operated services such as Access Transit, the lift-equipped bus service, or if city hall could no longer enact a local food first policy or a bottled water ban under the agreement.

“There’s enough unknowns about how this could impact the city and because we don’t have a seat at the table it’s best to request an exemption,” Clark said. “I think that as a democratically-elected city council we should make sure we can make the decisions we need to make to protect citizens and there’s no real benefits from what I can see for cities to be included — so it’s easier to be excluded.”

The city hall report also detailed the effect of the New West Partnership, the economic agreement signed between Alberta, British Columbia and Saskatchewan, last year. Saskatchewan municipalities are subject to the agreement beginning July 1 and must begin opening bids of more than \$200,000 for construction or \$75,000 for goods and services.

The city had “some concerns” regarding subsidies it provides, but it

was clarified by the province that such incentives are allowed as long they are applied to companies from all provinces. The province also clarified that protests on bids will not “unduly delay any construction project.”

The city has “no significant concerns” about the New West Partnership agreement or CETA, the report said.