

Simulated talks fail on supply management

Majority of other goods, services freed up

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Shopping for cheese? Better start checking the labels. That's because Canada-made cheeses will no longer be allowed to carry such names as roquefort, asiago and feta.

At least they won't if Canadian and European free trade negotiators reach the same result as a group of students and young professionals who, after a week of simulated negotiations last week, drew up a mock Canada-EU Comprehensive Economic and Trade Agreement.

Terry Collins-Williams, lead instructor and former Canadian trade negotiator, said the students were able to come up with a far-reaching agreement that covered all of the negotiating subjects they were given, eliminating nearly 98 per cent of trade barriers in goods and services. However, talks were far from easy, and the final result excluded such sensitive products as dairy and poultry.

The simulated talks took place from June 7-11 at Carleton University's Centre for Trade Policy and Law. By mid-week, the two teams had run into a number of roadblocks in the areas of agricultural trade goods, access to government infrastructure contracts, and geographic branding rights for notable European cheeses and cured meats.

Jonathan Warner, who holds a master's degree in political science from the University of British Columbia, led the charge for the European delegation. On June 10, after meeting with his team in the lead-up to the final plenary, he said the crown jewel for the Europeans would be increased access to Canadian infrastructure contracts. By the next day the Europeans had achieved that goal.

The simulated trade pact noted that Canada would increase access for European bidders to certain federal, provincial and municipal projects up to the level already permitted for US companies.

Another victory for the Europeans came in the form of geographic indicators-branding rights for exclusive products such as fine cheeses and meats that depend on regional reputation for their marketability.

The Canadians agreed to respect and protect those distinctions in exchange for increased labour mobility and professional standardization for Canadians working and living in Europe.

Mr. Collins-Williams said the students were able to innovate a personnel transfer

agreement that would grant managers, specialists and trainees access to both job markets for renewable three-year periods.

A particularly touchy issue addressed by the teams was supply management in Canadian dairy and poultry industries.

The Canadian delegation protected the marketing systems in both industries in exchange for tariff exemptions for several European agricultural goods.

Both parties agreed on the list of 59 products that would not go duty-free, including various dairy, meat, egg and poultry products as well as ships, boats and floating devices. All other duties on goods would be eliminated over a period of five years.

Jonathan Yazer, chief negotiator for the Canadian team, said both parties recognized important sensitivities in each other's markets.

"Supply management is a component of the Canadian economy that has existed for a very long time," said the recent grad of the Balsillie School of International Affairs at Waterloo, Ont. "This agreement is going to be precedent-setting, but we realize there are sensitive areas for reasons that go beyond trade that probably can't be compromised. We realize that, the Europeans realize that."

One stipulation of note had the Europe delegation rejecting all Canadian beef exports treated with hormone growth supplements due to the Europeans' concern that hormone-treated beef constituted a health risk.

Other categories dealt with by the students included intellectual property rights, environmental policy harmonization, and telecommunications. Students had access to an expert in each particular field they negotiated.

In addition to trade logistics, the negotiators established a committee and working group to oversee issues related to the environment, and also agreed to add a layer of vetting to all investments pertaining to the Arctic. Canadian ministers of the environment were granted veto power over all investment projects in Canada's Arctic.

Mr. Yazer said each success for team Canada—supply management, Arctic veto and labour mobility in Europe—were achieved by bargaining with the Europeans over geographic branding, government contracts and agricultural product exemptions.

He thought the simulated negotiations could provide an accurate depiction of what is yet to come.

"We have had access to the major documents, the scoping exercise and the joint study that the real life trade negotiators have," said Mr. Yazer. "We used the same numbers and considered the same issues."

Mr. Yazer acknowledged it's difficult to truly gauge what the real negotiations would bring due to the simulators' time constraints and the level of expertise.

Mr. Collins-Williams said the event was first and foremost a training exercise, adding that the group benefitted from a visit from Steve Verheul, the chief negotiator for Canada.

Canada and EU negotiators recently completed the third round of talks between the two sides. While the negotiations at Carleton wrapped up in less than a week, two more rounds of the actual negotiations are scheduled for July and October of this year, with two more rounds planned for 2011.