



The British Columbia-Alberta
Trade, Investment, and Labour Mobility Agreement



**Trade, Investment and Labour Mobility
Agreement Between
British Columbia and Alberta
(TILMA)**

**Presentation to Atlantic Institute for Market Studies
June 6, 2007**

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TILMA Overview

- 1994 - AIT signed (in force in 1995)
- Observations
 - Implementation delays
 - Undermined business confidence
 - Ineffective dispute resolution
 - Provincial regulations still impede trade



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TILMA Overview

Consultations with:

- Public Stakeholders
- Government departments
- Delegated authorities, regulators
- CFIB polled members in both provinces
- Local governments and other stakeholders

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TILMA Overview

- Bilateral free trade agreement signed in April 2006 between Alberta and B.C.
- Eliminates regulatory impediments
- Ensures labour mobility

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TILMA Overview

- Applies to all economic sectors
- Exceptions are explicit – e.g., water, taxation, social policy, First Nations, healthcare
- Effective, enforceable dispute resolution



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Legitimate Objectives

- Governments still achieve goals:
 - Public and Worker Health, Safety and Security
 - Environmental Protection
 - Consumer Protection
 - Health and social services in the province

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Economic Benefits

- Canada's second largest marketplace
- Joint GDP over \$400 billion
- Attracts people and allows them to operate freely e.g., workers, investors, entrepreneurs
- Magnet for investment

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General Rules

- Apply throughout the agreement
- Special provisions augment the general rules in some areas
- Any exceptions to the general rules are clearly identified in the agreement

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Special Provisions

Additional rules address:

- Energy
- Investment
- Subsidies
- Transportation
- Procurement
- Labour Mobility

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Energy

- First trade agreement in Canada to cover energy
- Reconcile regulatory measures

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Investment

- Reconcile corporate registration, reporting requirements
- Non-discriminatory treatment of businesses regardless of where the head office is located
- No more residency requirements



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Subsidies

- The removal of harmful subsidies will create a level playing field
- Both provinces are committed to encouraging other jurisdictions to eliminate subsidies



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Procurement

- Builds on the AIT
- Simplified rules with fewer exceptions
- Lower monetary thresholds
- Most professional services covered

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Transportation

- Eliminates duplicate registration for commercial vehicles
- Reconciles trucking standards

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Dispute Resolution

- More streamlined process
- Monetary penalties under TILMA for ignoring panel decisions
- Consultation, mediation
- Impartial 3-member arbitral panel



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Implementation

April 1, 2007

- Energy sector covered
- Commercial vehicles
- More procurement opportunities
- General trade in goods and services



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Transitional Period

- Two-year period to April 2009
- Consult with stakeholders
- Legislative changes

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TILMA Expansion

- Negotiations extend coverage to:
 - MASH sector
 - Crown Corporations
 - Financial Services sector

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Review of Measures

- Review for compliance
- Address inconsistent measures by 2009

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Legislative Impact

- Spring 2007 – minor amendment to effect dispute resolution
- 2008 – TILMA statutes amendment Bill
- 2009 – full implementation



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Full Implementation

By April 1, 2009

- Labour mobility
- Business registration and reporting
- Reconciliation of regulatory impediments
- Extending coverage to the MASH sector

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Accession

- Model for trade and labour mobility in Canada
 - Other provinces, territories and the federal government can accede to the TILMA
- Parties must accept its terms
- Exceptions must be comparable to Alberta's and B.C.'s

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Reaction

Canadian Chamber of Commerce:

- “TILMA will give businesses and workers in B.C. and Alberta seamless access to a large range of opportunities across all economic sectors.”
- Encourages both governments to communicate the benefits, realized through the TILMA, to the signatories of the AIT in order to demonstrate the benefits of free trade.

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Reaction

Canadian Council of Chief Executives:

- “The Agreement is the farthest any two governments have gone in tearing down barriers that have stifled economic growth and competition in Canada.”

Fraser Institute:

- “The Alberta-B.C. governments have signed the most important economic agreement since the North American Free Trade Agreement.”



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Reaction

Financial Post CEO Poll (Sept. 2006):

- 80% of Business leaders praised the TILMA and indicated that they expected both provinces to gain from trade barriers being lifted.

Pacific Northwest Economic Region:

- Has resolved to explore the possibility of expanding the Agreement's concepts throughout the Pacific Northwest Region of Canada and the U.S.

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TILMA website

www.tilma.ca