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HON. GARY MAR, MINISTER
INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

TILMA
SPEECH TO EDMONTON CHAMBER OF COMMERCE

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As business people, you know the value of:

- ◆ reducing costs,
- ◆ increasing flexibility,
- ◆ and acting quickly.

Savings, scope and speed. The first two describe the new B.C.-Alberta trade, investment and labour mobility agreement.

Speed describes your government's efforts to deliver the only truly free trade zone in Canada.

First - savings. The conference board of Canada estimates up to one per cent of Canada's gross domestic product is lost to trade barriers between provinces. Last year, that 1 per cent was worth over \$2 billion for Alberta alone. For Alberta and B.C. together, it was worth \$4 billion.

\$4 billion to pay for the costs of:

- ◆ duplication,
- ◆ redundancy,
- ◆ worker recertification,
- ◆ and all the minor differences in rules between provinces.

To free up that money for investment and development, Alberta and B.C. are removing the barriers that triggered those costs.

That brings us to scope.

Canada's federal and provincial governments tried to do this already, and even made some progress, with the national *Agreement on Internal Trade*.

But this agreement is riddled with exceptions.

Too many jurisdictions in this country fear for their economies if they open the door too far. Well, B.C. and Alberta have done more than open the door. We blew it off its hinges.

The *B.C.-Alberta Trade, Investment and Labour Mobility Agreement*, nicknamed TILMA, creates the most open free trade region in Canada, with equal, barrier-free access to business, investment and labour in both provinces.

Imagine:

- ◆ one set of business registration and reporting requirements
- ◆ mutually recognized certification requirements for skilled labour
- ◆ a level investment market, and more.

The TILMA will apply to virtually all areas of our economies. And already, we are working to include public sectors, like:

- ◆ municipalities,
- ◆ school boards,
- ◆ publicly funded academia, health and social services, and
- ◆ Crown Corporations.

We learned from the shortcomings of the *Agreement on Internal Trade* and backed TILMA with a superior and enforceable dispute resolution mechanism.

TILMA's process relies first on dispute avoidance, then on consultation, before a dispute panel can be convened. And if enforcement becomes necessary, TILMA has some very big punitive fiscal teeth.

For businesses, workers, and investors, the result will be the most flexible, stable and opportunistic trade environment in North America, maybe the world.

Now, the promise is great, but the reality is even better and preferably before you retire.

This is where I talk about speed. Our governments set some very ambitious timelines to deliver an agreement of massive scope.

TILMA comes into force in just five months, on April 1 2007, followed by just two years of transition to full implementation in April of 2009.

Across almost every economic sector, already, we are dealing with differences in operational scopes of practice.

We are:

- ◆ adapting policies to be less trade-restrictive,
- ◆ reconciling standards and regulations, and
- ◆ identifying legislative amendments.

Regulatory boards and bodies responsible for energy, financial services, the environment and professional practice already are at work to identify the necessary changes.

Ministries in B.C. and Alberta are reviewing and amending their government tendering policies.

They are:

- ◆ negotiating the inclusion of the financial services sector, and
- ◆ reviewing programs to be consistent with TILMA's business subsidy rules.

Our provinces are in the midst of talks to reconcile business registration and reporting requirements. And we initiated discussions with municipal associations to develop an effective consultation strategy.

However, for all the work to reconcile and achieve consistency, TILMA does not require governments to eliminate regulations.

Both Alberta and B.C. believe effective and efficient regulation is necessary to ensure a level and predictable playing field.

We are working to eliminate the unnecessary differences, the overlap and duplication in province-specific regulations that are obstacles to trade.

Friends, by creating a region of truly free trade, B.C. and Alberta are creating Canada's next economic powerhouse. Together, we have the second largest gross domestic product and a consumer market of 7.7 million people. That is bigger than Quebec. And you are part of it.

The Conference Board of Canada, the Council of Chief Executives, even the Fraser Institute all are enthusiastic. So are the federal government and several provinces. This is no surprise.

TILMA is designed so other jurisdictions can join. They just have to be willing to take on the same commitments Alberta and B.C. have already made.

Savings, scope and speed - B.C. and Alberta are delivering. But do not just take my word for it.

B.C.'s Minister of Economic Development, the Honourable Colin Hansen, is here to tell you more about TILMA, and to share what it means to our provinces.

I ask you to give him a warm welcome and a willing ear.