

BUSINESSEUROPE



*CANADIAN COUNCIL
OF CHIEF EXECUTIVES*



*CONSEIL CANADIEN
DES CHEFS D'ENTREPRISE*

May 15, 2007

The Right Honourable Stephen J. Harper, P.C., M.P.
Prime Minister of Canada
Langevin Block
80 Wellington Street
OTTAWA
K1A 0A2

Her Excellency Angela Merkel
Chancellor of the Federal Republic of Germany
Federal Chancellery
Willy-Brandt Str. 1
BERLIN
GERMANY 10557

Mr. José Manuel Barroso
President
European Commission
B-1049
BRUSSELS
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**CANADA AND THE EUROPEAN UNION:
A STRONGER PARTNERSHIP**

Dear Prime Minister Harper, Chancellor Merkel and President Barroso,

As you prepare for the Canada-European Union (EU) Summit in Berlin on June 4, 2007, the Canadian Council of Chief Executives (CCCE) and BUSINESSEUROPE urge you to embrace a bold new vision for economic relations between the EU and Canada. We believe that this vision should be based on a commitment to the elimination of all unnecessary restrictions on transatlantic trade and investment. As a first step toward this long-term goal, we recommend rapid action in key areas with defined objectives and realistic timeframes.

The ties between Canada and Europe are strong and deep. Our societies are bound together by history as well as by common values, including respect for the rule of law and a commitment to market-based economies. Although trade between Canada and Europe has increased recently, the Canada-EU relationship has suffered from political neglect on both sides of the Atlantic for too long. Political leaders must ensure that future opportunities are firmly seized.

In May 2006, your governments understandably decided to suspend negotiations on the Canada-EU Trade and Investment Enhancement Agreement (TIEA) pending the outcome of World Trade Organisation (WTO) talks on the Doha Development Agenda. As business leaders, we strongly support the Doha Round, and we urge our governments to work together to promote a successful conclusion of these negotiations during 2007. Any other outcome would represent a serious setback to the cause of multilateral trade liberalisation. The business leaders we represent are prepared to offer their full support to an ambitious Doha Agreement.

While the WTO process is intended to address tariff and market-access barriers, we believe that Europe and Canada should take advantage of their upcoming Summit to achieve further progress toward an integrated bilateral transatlantic economic partnership. As a starting point, we suggest that Canada and the EU, in consultation with the private sector, should agree on a series of targets and timelines for progress in the near and medium term.

In this regard, BUSINESSEUROPE and the CCCE urge you to step up work in the area of regulatory cooperation. Greater convergence in standards and regulations is a top priority for the private sector in both Canada and Europe, and would offer important benefits for consumers. We strongly favour a regulatory cooperation agreement in goods and services that would discourage future divergences in regulatory practices, reduce existing regulatory barriers, and improve collaboration in new areas where emerging regulation may affect growth, competitiveness, innovation, and job creation. New bilateral regulatory arrangements should be enforceable and binding, and a dispute-settlement process should be established.

Other priorities for BUSINESSEUROPE and CCCE in the short term include:

- Deeper commitments to open services markets at both federal and sub-federal levels as well as public procurement. In particular, greater harmonization in procurement commitments at all levels of government including federal, provincial and local.
- Serious consideration of an EU-Canada air services liberalisation negotiation.
- An agreement facilitating the temporary admission of key business personnel and service suppliers.
- Progress toward mutual recognition of professional qualifications.
- Cooperation on protection of intellectual property rights.
- Enhanced science and technology cooperation.

We also believe that Canada and the EU should commit to a strategic dialogue on energy and climate issues of common interest and concern. Such a dialogue should begin with a realistic assessment of challenges and opportunities with respect to: short- and long-term reliability of energy supplies; the need for increased investment in production and transport infrastructure; measures to improve the efficient use of energy; the promotion of new, climate-friendly energy

technologies; and cooperation on possible future international climate change policies.

Beyond these steps, we strongly urge your governments to embrace a bold vision of the Canada-EU partnership. The long-term goal should be to facilitate the free flow of goods, services, capital and people across the Atlantic in a manner that would move significantly beyond the TIEA. BUSINESSEUROPE and the CCCE would be pleased to provide input on short-, medium- and long-term priorities, and on specific steps that could be taken toward this strategic objective.

As leaders of private enterprise, we are fully committed to working with you and your colleagues. It is our sincere hope that the June 4 Summit will usher in a new era of bilateral economic cooperation between Europe and Canada.



Thomas d'Aquino
Chief Executive and President
Canadian Council of Chief Executives



Philippe de Buck
Executive Committee President and
Secretary General
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