



MAR 2 9 2017

Mr. Fabio De Masi
Member of the European Parliament
European Parliament
Rue Wiertz
Willy Brandt 03M031
1047 Brussels
KINGDOM OF BELGIUM

Dear Mr. De Masi:

Thank you for your correspondence of December 2, 2016, addressed to my predecessor, the Honourable Chrystia Freeland, regarding the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA). While our views on CETA may differ, I appreciate the time that you and your colleagues in the European Parliament have spent on reviewing and debating this agreement.

CETA is a priority for the Government of Canada. Our government believes strongly in a global economy that is open to the free flow of goods, services and investment while maintaining the ability of governments to regulate and legislate in pursuit of legitimate public policy objectives. CETA will help boost trade and economic activity while promoting and protecting shared Canadian and European values, including high standards of protection for consumers, workers and the environment.

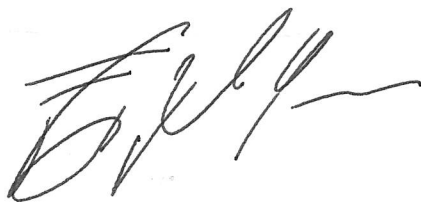
Allow me to address your two questions. First, CETA's mechanism for the resolution of investment disputes is by far the most progressive and innovative of its kind. It includes a permanent tribunal to which members are appointed for five-year terms, and members are required to abide by strict ethical rules. The mechanism also includes an appellate tribunal that may review decisions of the permanent tribunal that are deemed to be incorrect by either the investor or the respondent state. Both tribunals will be guided by a provision of the Investment Chapter that reaffirms the right of governments to regulate to achieve legitimate policy objectives. This is the mechanism that will apply when CETA fully enters into force—that is, when Canada, the EU and all 28 member states have completed their required procedures for ratification. In the meantime, Canada will mirror the EU's decision on provisional application and implement CETA on a reciprocal basis. Under provisional application, Canada and the EU will refrain from applying some of the provisions of the Investment Chapter, including those relating to the mechanism for the resolution of investment disputes.

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Second, with respect to the statement by German trade unionist Stefan Körzell, the Government of Canada would have agreed to include enforceable labour provisions in the Trade and Labour Chapter of CETA, consistent with Canada's approach to trade and labour. However, the concluded text is a negotiated outcome where the parties agreed to review the enforceability issue and resume talks once CETA comes into force. This commitment is emphasized in the Joint Interpretative Instrument on CETA, and the Government of Canada is keen to engage with the EU and its member states as soon as possible.

Once again, thank you for taking the time to write on this important issue. I look forward to continuing to hear everyone's ideas and views so that CETA remains at the leading edge of progressive trade.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Champagne', with a long horizontal flourish extending to the right.

The Honourable François-Philippe Champagne, P.C., M.P.