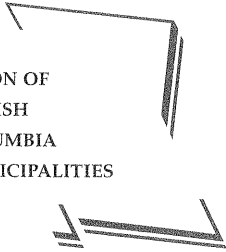


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TO: UBCM Members
FROM: UBCM Secretariat
DATE: March 28, 2007
RE: **TRADE, INVESTMENT AND LABOUR MOBILITY
AGREEMENT (TILMA)**

INTRODUCTION

On April 28, 2006 the Province of BC and the Province of Alberta signed the above referenced Agreement. The Agreement will take effect between the two provincial governments on April 1, 2007.

Over the past few months, UBCM has received a number of letters from members asking questions about the Agreement, its implications for local government and requesting that UBCM take action on behalf of the membership. The purpose of this memo is to provide you with a status report on UBCM's discussions and activities in regard to TILMA, our next steps, and how you as the membership can assist as we move ahead to prepare for discussions with the Province in the coming months.

BACKGROUND

In December 2005, UBCM was advised by provincial government staff that discussions were taking place between BC and Alberta on an enhanced trade agreement. At that time we were not privy to the details of the Agreement as negotiations were still underway between the two provincial governments. We were advised that local governments would be included in the transitional provisions of the agreement and as such, the Province would be seeking to engage UBCM and local governments in discussions once discussions between the two provinces were completed.

In early January 2007, staff met with Ministry of Economic Development staff and engaged in preliminary discussions about TILMA and local government issues. At that meeting Ministry staff confirmed that the Agreement provides for a transitional period, extending to April 1, 2009. Therefore, there is a two-year period for UBCM to engage the Province in discussions to "negotiate any required special provisions, exclusions and transitional provisions....".

At the February 1-2 Executive meeting, the following recommendation was endorsed with respect to TILMA:

.../2

That staff be directed to work with Ministry staff in developing an information piece to be circulated to UBCM members, solicit member issues and concerns and that staff be directed to undertake discussions/negotiations with the Province on TILMA.

With this direction, further discussions were held with Ministry staff and on February 9, 2007 a memo was sent to all UBCM members with a copy of a joint letter from Minister of Economic Development Colin Hansen and his Alberta counterpart, Guy Boutilier on TILMA. The letter was addressed to UBCM and the two Alberta associations and was in response to specific local government issues that have been raised.

Minister Hansen has since issued a separate letter to UBCM members through the March 2007 *UBCM News* which speaks directly to the issue of consultation:

During the two-year transitional period between now and then, we will consult with local government bodies in both provinces, including the Union of B.C. Municipalities and other interested local governments, and negotiate any required exclusions or special provisions.

STATUS

The Minister's letter confirms that the Province is committed to meeting with UBCM to discuss the TILMA agreement, to identify areas of concern and negotiate any required exclusions or special provisions. While members have raised a variety of issues with respect to TILMA (eg. procurement thresholds, local government's powers, etc.), all have sought assurances that UBCM is addressing this matter on their behalf. We can assure you that this is the case. We have undertaken to have an overview of TILMA done in the context of local government. The overview has been prepared by Don Lidstone of Lidstone Young Anderson. A copy of Mr. Lidstone's overview can be found on the UBCM website, as noted below. The issues raised by Mr. Lidstone will provide the basis for our initial discussions with the Province about the impact of TILMA on local governments.

CONCLUDING REMARKS

We wish to assure the members that we are addressing TILMA on your behalf. We have also requested to meet with Minister Hansen as part of the upcoming April Executive meeting in Victoria. We thank the members for your input to date and encourage you to continue to advise us of your concerns in the coming months. We will keep you apprised as our discussions with the Province unfold.

To review Mr. Lidstone's overview and the Ministers' letters referenced in this memo and for further information on TILMA please go to www.civicnet.bc.ca and look under Featured Policy Topics – TILMA.