

THE GOVERNMENTS OF BRITISH COLUMBIA AND ALBERTA AGREE IN PRINCIPLE THIS DAY OF MAY 26, 2004

WHEREAS, on October 8, 2003, the Governments of British Columbia and Alberta signed a joint Protocol of Co-operation, identifying the goal of expanding trade, investment and labour mobility between the two provinces;

AND WHEREAS, there exists an Agreement on Internal Trade (the AIT), which includes general rules that apply to economic measure in specified economic sectors of all provinces, territories and the federal government of Canada;

AND WHEREAS, the governments of British Columbia and Alberta have agreed to develop a framework to simplify and extend coverage of the AIT to those areas not currently covered;

AND WHEREAS, the AIT contemplates within Article 1800: *Trade Enhancement Arrangements* in which:

The Parties recognize that it is appropriate to enter into bilateral or multilateral arrangements in order to enhance trade and mobility;

NOW THEREFORE THE PROVINCES AGREE IN PRINCIPLE, as follows:

1. The attached framework is confirmed as the basis for consultations and negotiation of a comprehensive bilateral agreement to enhance trade, investment and labour mobility between the two provinces.
2. It is acknowledged that the achievement of a comprehensive agreement will require significant and committed efforts. Negotiators are instructed to focus their initial efforts on developing the general rules and special provisions required to remove barriers and economic distortions in the following areas: labour mobility, subsidies, government procurement and energy.
3. Officials will report on progress in October 2004.

IN WITNESS WHEREOF this Agreement has been executed by British Columbia and Alberta.

Signed at Prince Rupert, British Columbia, this 26th day of May, 2004

The Honourable John Les
Minister of Small Business and
Economic Development
Government of British Columbia

The Honourable Halvar Jonson
Minister of International and
Intergovernmental Relations
Government of Alberta

FRAMEWORK

The Governments of the Provinces of British Columbia and Alberta (the Parties) have agreed to establish a comprehensive bilateral trade, investment and labour mobility agreement, pursuant to Article 1800 (Trade Enhancement Arrangements) of the Agreement on Internal Trade (AIT).

The purpose of the Agreement will be to:

ESTABLISH an open, efficient and stable domestic market in Alberta and British Columbia;

ENHANCE competitiveness, economic growth and stability;

INCREASE opportunities and choice for workers, consumers and business;

REDUCE costs for consumers, business and governments;

PROMOTE sustainable and environmentally sound development, high levels of consumer protection, and health and labour standards; and

SUPPORT ongoing trade and investment liberalization both nationally and internationally.

Consultations and negotiations will proceed on the basis of the following agreed principles that will apply to government measures affecting trade, investment, and labour mobility.

Non-Discrimination: Parties will not discriminate against or between persons, goods, services and investments of either Party.

Harmonization or mutual recognition of standards-related measures: Parties will work to reconcile standards, regulations and other standards-related measures that create barriers to trade, investment and labour mobility.

Transparency: Parties will ensure that their measures covered by the Agreement are made readily accessible.

Dispute Resolution: Parties will expedite the resolution of disputes in an effective, inexpensive and timely manner.

Exceptions to the general rules will be accepted for legitimate objectives, such as protecting the environment, or for health and safety reasons. Any other exceptions will be clearly identified.