



**Chambre de commerce
du Montréal métropolitain
Board of Trade of Metropolitan Montreal**

April 2, 2009

The Honourable James M. Flaherty
Minister of Finance
Department of Finance
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Subject: Opinion of the Board of Trade of Metropolitan Montreal within the context of the consultation related to pension reform

Mr. Minister:

The Board of Trade of Metropolitan Montreal was interested to read the federal government's discussion paper *Strengthening the Legislative and Regulatory Framework for Pension Plans Subject to the Pension Benefits Standards Act, 1985*, tabled in January. This discussion paper, which aims to improve the framework governing federally regulated private pension plans, is of deep interest to the Board of Trade, and we would like to share our thoughts concerning this initiative with you. The following comments are based on two major considerations: the importance of reacting quickly to the current economic crisis and the need to support the competitiveness of businesses.

In recent months, the Government of Canada has taken important steps to stimulate the economy. Indeed, following the last federal budget, the Board of Trade noted that the government was on target with measures designed to support companies, including facilitating access to credit, tax breaks, and tariff relief to stimulate investment. The Board of Trade believes that companies also have a responsibility to support the economy by improving their productivity and competitiveness, and the government would do well to assist them in those efforts.

Review of terms governing pension plans

Companies that have been hard hit by the economic crisis and the steep decline of the stock market face daunting challenges. Moreover, they must operate in a highly competitive global environment that shrinks their profit margins. As a result, the pension plans to which they contribute have also suffered. This obligation now weighs heavily on the finances of many companies.

Within this context, the implementation of measures to ease the framework governing pension plans at the federal level could be highly beneficial to the competitiveness of some companies. Canadian leaders in the transport and telecommunications sectors recently came together to submit their joint recommendations concerning the consultation document. The Board of Trade believes these recommendations deserve close attention – particularly since the proposed changes require no additional investment on the part of the government.

The unprecedented crisis we are now facing calls for the implementation of new assistance measures that will also take into account the longer-term needs of Canadian companies. The current consultation should thus aim to improve the business environment in which they operate. This is all the more true in that, for companies active on the international scene, Canada's regulatory environment may have a significant impact on their ability to compete with companies based in other countries.

For all these reasons, we fully understand the concerns expressed in the brief tabled by Air Canada, Bell Canada, Canadian Pacific Railway Ltd., CN – Canadian National Railway Company, MTS Allstream, NAV CANADA, and Canada Post, to the effect that the current constraints linked to pension plans not only constitute an additional burden during this period of economic slowdown, but also place them at a disadvantage compared to their U.S. competitors. We therefore believe that their proposals should be studied quickly and attentively by the government.

Please be assured of the Board of Trade's full co-operation in contributing to the development of Canada and, in particular, of Greater Montréal.

Sincerely,

Michel Leblanc
President and CEO