



Office of
the Ombudsman

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**Private & Confidential
By Courier**

March 27, 2002

Chris Power
President & CEO
Farmers Co-operative Dairy Ltd.
745 Hammonds Plains Road
P.O. Box 8118
Halifax, Nova Scotia
B3K 5Y6

Dear Mr. Power:

**Re: Request to Proceed with a Person-to-Government Internal Trade Complaint
concerning New Brunswick's Fluid Milk Distribution Licensing System**

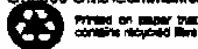
I acknowledge receipt of your letter of March 11, 2002 as well as your previous letter of January 31, 2002, enclosing your submission to me as screener appointed by the Government of Nova Scotia pursuant to the Agreement on Internal Trade ("AIT"). I have been advised by the Province of New Brunswick that it has nothing to submit to me in connection with this matter.

I have carefully reviewed the submission of Farmers Cooperative Dairy Limited ("Farmers Dairy") and considered the matters set out in Article 1713 of the AIT. I have also reviewed and followed the screener's guidelines established by the Province of Nova Scotia.

Based on my review of the materials submitted, I am satisfied that Farmers Dairy should be permitted to commence dispute resolution proceedings pursuant to the AIT. My reasons for doing so are that the materials submitted have satisfied me that the complaint of Farmers Dairy is not frivolous or vexatious, nor has it been initiated merely to harass New Brunswick. I have also concluded that there is a reasonable case of injury or denial of benefit to Farmers Dairy.

Farmers Dairy has initiated this dispute resolution proceeding under Article 1712(1)(a) of the AIT, and, therefore, as required by Article 1713(5), I have determined that this complaint should proceed under Chapter 9 of Part IV of the AIT.

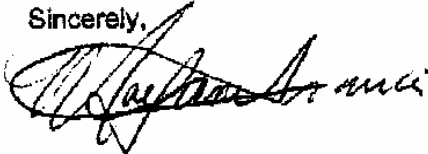
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A copy of my decision is being delivered to the Internal Trade representatives for both Nova Scotia and New Brunswick, as well as the Internal Trade Secretariat.

Sincerely,



Mayann Francis
Ombudsman

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cc: The Honourable Norman Betts, Minister of Business New Brunswick
The Honourable Gordon Balseg, Minister of Economic Development, Nova Scotia
Greg Bent, Internal Trade Representative, Nova Scotia
Harry Quinlan, Internal Trade Representative, New Brunswick
Andre Dimitrijevic, Internal Trade Secretariat