
President's Letter

March 15, 2011

Binding arbitration sticking point in drafting new MOA *Retroactive payments further delayed*



Patrick M. O'Shea
MD, CCFP, FCFP
President

Dear Colleagues:

Many of you have been phoning and emailing regarding the status of the new *Memorandum of Agreement*. As I reported in my *President's Letter* of February 24, delays in finalizing the legal contract were anticipated.

Unfortunately, government has been dragging its heels and I am unable to predict when we might have agreement on the language of the new *MOA*. As government will not issue retroactive payments until the *MOA* is signed, these payments will be further delayed.

Government's first draft of the *MOA*, promised for early in January, did not arrive until the middle of February. Our initial review of government's draft quickly revealed significant issues, confirmed by our legal counsel. Particularly troubling was government's reluctance to include in the *MOA* clear language outlining the parameters for binding arbitration as a dispute resolution mechanism. Instead, government proposed appending a vaguely worded letter to the *MOA*.

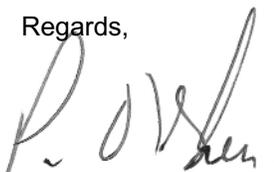
In the opinion of our legal counsel, such a provision in the *MOA* would be legally unenforceable and, as such, the NLMA would be deprived of one of the key provisions contained in the agreement in principle executed in December 2010.

We communicated our revisions, including arbitration provisions, to government several weeks ago. Government officials indicated they would respond to our revisions by today. As of the issuing of this bulletin we have had no response.

We cannot back down on the issue of binding arbitration. Our recent experience with government has made it clear just how important securing a binding dispute resolution mechanism in all future *MOAs* is to all of us.

I will keep you apprised of developments through our usual communications channels, and ask for your patience as we work through these difficult, but important issues.

Regards,



Patrick M. O'Shea, MD, CCFP, FCFP
President



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