

EXEMPT
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There is also little or no support in this sector for multilateral procurement liberalization given the assessment that the European and Japanese markets could not be penetrated because of different standards and the concerns over increased competition in the Canadian market.

37. With respect to the heavy electrical equipment sector, American restrictions continue to affect all federally-funded power projects including those undertaken by a number of federal purchasing entities such as Tennessee Valley Authority (TVA) and the USA Army Corp of Engineers who are important customers for power equipment in areas of Canadian strength, particularly hydraulic turbines and generators.

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By and large, Canadian and USA manufacturers presently have reasonable access to each other's markets in those products of principal export interest. In addition, increased north-south rationalization by the major USA based power equipment manufacturers operating in Canada (principally CGE and Westinghouse) has facilitated USA market access for some products.

38. Provincial and municipal departments and agencies and provincial Crown corporations are the major purchasers of heavy electrical equipment in Canada. However, only Hydro Quebec and Ontario Hydro practice a significant degree of discrimination in favour of domestic sources. British Columbia and Manitoba Hydro also place some restrictions in limited product area. Most others purchase without discrimination at the lowest possible price, and often this means purchasing from foreign sources at dumped price levels or with the benefit of concessional financing rates. This practice contrasts sharply with those in other countries (except the USA) where the utilities are national in scope and where there is a total commitment to their domestic manufacturers.

39. In regard to the purchasing preference which are exercised by Canadian utilities, it is important to note that to the degree that discrimination in favour of domestic sources has been practiced, it has usually been for sources within individual provinces.

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In this regard, a number of medium-sized firms which have developed ties to either Hydro Quebec or Ontario Hydro, have