

## U.S.-CANADA MEMORANDUM OF UNDERSTANDING ON PROVINCIAL BEER MARKETING PRACTICES

The Government of the United States and the Government of Canada (hereafter referred to as the United States and Canada, respectively) reaffirm their Agreement in Principle of April 25, 1992, which is hereby made an integral part of this Memorandum of Understanding (MOU), and enter into this MOU to provide further details on how the terms of the Agreement in Principle are to be implemented. In the event of any inconsistency between this MOU and the Agreement in Principle, this MOU will prevail to the extent of the inconsistency.

1. Agreement in Principle. Canada will ensure that the terms of the Agreement in Principle scheduled for implementation by June 30, 1992 are implemented immediately; where such terms have already been implemented, Canada will provide the United States with written information confirming such implementation (unless the information has already been provided). Canada will ensure that the terms of the Agreement in Principle scheduled for implementation by September 30, 1993 will be implemented by that date and, where applicable, will be implemented in the manner identified during the course of negotiations unless as otherwise provided below. Notification of implementation will be provided to the United States in accordance with paragraph 4 below.
2. Canadian competent authorities reserve the right to introduce or modify measures or practices pertaining to the importation, distribution, sale or pricing of beer, but may not introduce or modify any such measures or practices in a manner that is inconsistent with Canada's obligations under this MOU or under the General Agreement on Tariffs and Trade (GATT), including the obligations of national treatment and the GATT Panel Report of 18 September 1991 entitled Panel On Canada- Import, Distribution and Sale of Certain Alcoholic Drinks by Provincial Marketing Agencies..
3. Ontario. In addition to paragraph 1,
  - (a) Beer exported from the United States to the province of Ontario will have access to the Brewers Retail Incorporated (BRI) store system and its services will be made available upon the date this MOU comes into effect. The terms of that access, and the fees to be charged, are set forth in the Annex to this MOU, which constitutes an