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efficient manner in which to screen cargo and process rail shipments.

Canada worked closely with the United States to implement new security screening requirements for commercial drivers handling the cross-border transportation of explosives, while avoiding undue impact on this trade.

In October 2003, Secretary Ridge announced that under current U.S. policy, the vast majority of Canadian citizens

would not be subject to congressionally mandated entry-exit tracking known as the U.S. VISIT program. This is a significant announcement given that 90% of land border crossings are made by U.S. and Canadian citizens. Advocacy efforts at the highest level played a significant role in achieving this result. Moreover, Canada and the United States have committed to working together to identify ways to implement the U.S. VISIT program that will minimize the impact on border flows.

On November 13, 2003, Canada and the United States successfully followed up on the promise made by President George W. Bush and Prime Minister Jean Chrétien to organize a first meeting of Canadian and American business representatives as part of ongoing consultations on the implementation of Smart Border initiatives.

groups to inform the CCA of their views on trade issues, particularly those that affect bilateral trade.

As bilateral agricultural trade continues to expand, the CCA will continue to serve as a key mechanism to address at an early stage agricultural trade issues between Canada and the United States, in partnership with the provinces and key stakeholders.

Bioterrorism Legislation

On February 3, 2003, the U.S. Food and Drug Administration proposed regulations to implement the requirement of prior notice of food shipments and registration of domestic and foreign food facilities under the Public Health and Security and Bioterrorism Preparedness and Response Act. The Government of Canada has made numerous high-level representations with regard to the Act since it was first introduced in Congress in late 2001 and passed in June 2002. For instance, the government submitted formal comments on the proposed regulations in April 2003, after consulting with industry, provinces and other stakeholders.

On October 10, 2003, the U.S. FDA issued interim final rules that addressed many of these comments and came into effect on December 12, 2003. In particular, the U.S. FDA established prior notification

timelines that reflect the different modes of transportation, such as truck, rail, air and ship. The U.S. FDA also provided an opportunity to comment on the interim final rules up until December 24, 2003. In response, Canada submitted further comments expressing continuing concerns about the substantive elements and implementation of a number of provisions. For example, there remain many areas in which the interim final rules, as currently interpreted, continue to cause confusion and impose questionable costs on Canadian firms and individuals. The FDA has indicated that it may reopen the comment period in the spring of 2004 for an additional 30 days.

The Government of Canada will continue to consult stakeholders to ensure that concerns are addressed in future comments. Recognizing that some affected parties may still require assistance in understanding the new regulations and how to comply with them, the U.S. FDA and U.S. Customs and Border Protection will be focusing on education and awareness raising until mid-2004. During the transition period, the U.S. FDA will not refuse admission on the sole basis of inadequate prior notice. In addition, it has indicated that final regulations for administrative detention and record keeping will be published in 2004.