

**COMMONLY ASKED QUESTIONS**

***Will the NAFTA allow U.S. giants like AT&T to move into Canada?***

The NAFTA will not open the door for foreign-owned telephone companies to provide basic telephone service in Canada. Canada's limitation on foreign ownership remains in effect.

As under the FTA, foreign companies such as AT&T may operate in Canada, but only as resellers of basic telephone services or as providers of enhanced services. They cannot own or control telecommunications facilities in Canada. Canada's 20% limit on foreign ownership of basic services has not been altered by the NAFTA.

***Is the NAFTA another step towards bringing U.S.-style deregulation to Canada, similar to the Canadian Radio-Television and Telecommunications Commission (CRTC) decision on long-distance telephone competition?***

The NAFTA will not lead to U.S.-style telephone deregulation, as the provision of basic telecommunications services has been excluded from the NAFTA. In Canada, decisions on deregulation have been made, and will be made, on the basis of what is best for Canadians. That was the basis for the recent decision by the CRTC which introduced competition for long-distance telephone services.

***What is the difference between the FTA and the NAFTA in the telecommunications sector?***

Both agreements maintain a competitive environment for the provision of computer services and enhanced telecommunications services, which means anything beyond basic telephone services. This would include automatic answering services, E-mail services and data processing services. The NAFTA contains broader rules which guarantee that providers of enhanced services and companies can operate their own private networks. It also establishes a program to recognize compatible equipment standards.