

the U.S. market since 1984. The Government of Canada also encourages Canadian exporters that have succeeded in more than one region of the United States to "graduate" to other international markets. For further information, visit the Department of Foreign Affairs and International Trade's Canada-U.S. relations Web site (www.can-am.gc.ca).

The government also aims to attract and expand investment from the United States and to encourage strategic alliances with U.S. companies. The government's plan is to promote investment through the use of a more integrated, sector-focused approach that builds on the cooperation between the Department of Foreign Affairs and International Trade and its Team Canada Inc partners.

Within the United States, many individual states have economies that are larger than those of whole countries. Over the past year, several federal cabinet ministers and deputy ministers have made visits to important U.S. regions to help forge relationships with government and business leaders. These initiatives are necessary to advance Canadian priorities and to highlight the attractiveness of Canada as an investment destination.

In view of the importance of the trade relationship, a new cabinet committee, chaired by the Prime Minister, has been created to ensure an integrated, government-wide approach to Canada-U.S. relations. A parliamentary secretary to the Prime Minister with a special emphasis on Canada-U.S. relations has also been appointed, and will have an enhanced role in policy development.

Market Access Results in 2003

- On October 3, 2003, Deputy Prime Minister John Manley and Homeland Security Secretary Tom Ridge issued the fourth status report on the Smart Border Action Plan and reaffirmed their commitment to deepening cooperation in several areas, including biosecurity, border security science and technology, and critical infrastructure protection.
- In May 2003 and again in October, Canada and the United States announced expansions of the Free and Secure Trade (FAST) and NEXUS programs. FAST partners governments with the private sector to promote a secure supply chain for low-risk goods crossing the land border and is now operational at

12 major crossings. NEXUS facilitates the movement of pre-approved low-risk frequent travellers and is now open at 13 crossings.

- With respect to bovine spongiform encephalopathy (BSE), the United States announced in August 2003 a reopening of the U.S. border for boneless beef and certain other products.
- On January 1, 2003, Canada and the United States implemented measures to liberalize the NAFTA rules of origin applicable to seven products, making it easier for exporters of these products to meet the rules of origin and benefit from duty-free treatment under NAFTA. The measures are currently being considered by the Mexican Senate.
- In September 2003, under the enhanced representation initiative, the Government of Canada announced that it will open seven new consulates, upgrade two consulates to consulates general and appoint 20 honorary consuls in the United States. The move will strengthen Canada's capacity to advocate its interests in vital economic, political and security matters and to develop innovative strategic partnerships in emerging U.S. economic power centres.
- In April 2003, Canada and U.S. Customs along with CN and CP Rail signed a declaration setting out operational principles and procedures for screening cargo and processing rail shipments in order to promote rail security and access to the United States.
- In July 2003, Canada and the United States announced harmonized rules for reporting cargo, which will be phased in over the next two years.
- In October 2003, Homeland Security Secretary Ridge announced that under current U.S. policy, the vast majority of Canadian citizens travelling to study or work in the United States would not be subject to the congressionally mandated entry-exit tracking known as the U.S. VISIT program.

Canada's Market Access Priorities for 2004

- Continue to pursue unrestricted access to the U.S. market for Canadian softwood lumber.
- Continue to press the United States for early science-based reopening of the U.S. border for live animals and continue working with the United States and Mexico on a coordinated North