

When a Party grants a company-specific duty waiver to a designated firm or individual, it will, if the waiver hurts the commercial interests of the other Party, either make the duty waiver generally available or end it. This provision is intended to ensure that company-specific duty waivers are not used in a manner that distorts trade and investment.

Customs user fees assessed on merchandise of the other Party will be phased out within five years of implementation.

Importers will base their claims for tariff treatment under the Agreement on a written declaration from the exporter that the good being imported meets the rule of origin of the Agreement. Upon request, exporters will be required to supply this written declaration to the Customs Administration in the country of exportation. False declarations by either the exporter or the importer will be subject to penalties imposed by their respective governments.

Quantitative Restrictions

Both Parties have agreed they will not maintain or introduce import or export restrictions except in accordance with the GATT, or as modified by the Agreement. Concerning imports, exceptions to this rule will only be allowed for traditional GATT Article XX reasons, such as health and safety. With respect to exports, short supply and conservation measures may be taken, but they must provide for the sharing of the resource with the other Party and they may not create price discrimination by other means. The Agreement also contains a commitment to cooperate on the implementation of export controls (for short supply and conservation purposes only) to prevent diversion to third parties.

All existing quantitative restrictions will be eliminated, immediately or by an agreed timetable, or will be grandfathered under the Agreement. These actions include: a phase-out of the Canadian embargo on used automobiles between 1/1/89 and 1/1/93; elimination of the Canadian embargo on used aircraft upon entry into force of the Agreement; elimination of the U.S. embargo on lottery materials on 1/1/93; and retention of the U.S. and Canadian log export restraints and U.S. Jones Act provisions under General Exceptions to the Agreement.