

Chapter 6

Opening Doors to North America

There are always a number of complex bilateral issues at play in the Canada-U.S. relationship at any given time. Although several are currently garnering public attention, relations are in every other respect positive and functioning well.

Current Issues

While we have resolved some commercial issues and made significant progress in others over the past year, several challenges remain. For example, Canada is currently managing a wide variety of agricultural trade issues with the U.S. These include the 2007 U.S. Farm Bill process, the establishment of a WTO panel on U.S. agricultural subsidies at Canada's (and Brazil's) request, market access related to BSE, and concerns in the U.S. over the safety of imported products. Among Canada's concerns is the lack of reform of farm programs in the 2007 Farm Bill, as well as provisions on mandatory country-of-origin labelling and sugar. Canada will continue to work with the United States on a coordinated approach to food and product safety, and to actively engage on proposals introducing any new import safety measures, such as additional border inspection fees, that could have a significant impact on Canadian exports.

Western Hemisphere Travel Initiative

A key concern for Canada is unilateral U.S. border security measures and their impact on cross-border trade and travel, including new document requirements for entry to the U.S. under the Western Hemisphere Travel Initiative (WHTI). Canada has been working with the U.S. to ensure that implementation of the WHTI on land and sea, to be implemented in June 2009, is managed in a way that facilitates the flow of trade and travellers across the border while ensuring the security of the two countries.

Another issue is the U.S. definition and treatment of dual nationals within the International Traffic in Arms Regulations (ITAR), which has made it difficult for dual nationals in Canada to gain job-related access to controlled technologies and data. As the Canadian Charter of Rights and Freedoms protects against discrimination based on nationality, challenges have been brought against Canadian organizations that have reassigned dual-nationality employees from ITAR-related projects. To address the issue, the U.S. State Department signed an exchange of letters with Canada's Department of National Defence (on May 14, 2007) and with the Communications Security Establishment, Canadian Space Agency and National Research Council (on June 19, 2007). While these arrangements resolve the dual-nationality problem for the Canadian government departments that have signed an exchange of letters, a solution is still needed for Canadian companies that provide support to the Department of National Defence and other Canadian government operations. This is a top priority for the Government of Canada.

Additionally, administrative procedures by U.S. patent authorities, combined with judicial interpretations of U.S. patent law in circuit courts, create a situation that encourages litigation in the United States. Canadian companies that rely primarily on patents to carry out operations in the U.S. may have to devote significant resources to litigation, which in turn affects their ability to do business.