

is constrained and unpredictable as a result of these preferences. Canada will continue to press for elimination of U.S. state and local level preferences.

Legislative and Regulatory Changes

Regulations in civilian and defence procurement, which can affect market access for Canadian suppliers, change constantly. Canada continues to press the United States to clarify and resolve potential inconsistencies between its NAFTA obligations and certain acquisition procedures that appear to limit Canadian participation. These include simplified acquisition procedures for all procurement under US\$100,000 and those used for commercial items to a value of US\$5 million. Recent legislation regarding procurement by the Department of Homeland Security broadens the use of simplified acquisition procedures. Canada is also concerned about the propensity of

U.S. legislators to incorporate restrictive procurement provisions into legislation, such as appropriations acts, on an ad hoc basis. Often relating to specific products, such action appears to be taken without full consideration of the potential for inconsistency with international trade obligations.

Waste

Michigan has legislation that attempts to limit imports of Canadian municipal solid waste, while draft legislation allowing states to limit receipt of out-of-state and foreign waste is before Congress. If the United States were to restrict Canadian municipal solid waste exports, the impact on Ontario would be serious. Any trade response that could be taken under the WTO would take too long to have any practical effect, given that Toronto and other municipalities have only a few days' storage capacity for their solid

CANADA'S ADVOCACY IN THE UNITED STATES

Canada is actively working to advance its interests in the United States through targeted advocacy approaches. This work involves customized, sustained strategies and messaging on key issues as well as the use of all channels of influence to reach U.S. decision makers. For example, our representatives in the United States work to influence the U.S. decision-making system through coordinated and strategic contact with Congress, the Administration, state governments, opinion leaders, industry, media, academia and NGOs. These advocacy efforts are enhanced through active interdepartmental collaboration in Canada, as well as partnerships with provincial and territorial governments, parliamentarians, municipalities, industry, academia and unions. For this reason, Canada has established a new Secretariat at the Canadian Embassy in Washington with a mandate to work with the provinces, territories and parliamentarians in support of outreach activities with key U.S. interlocutors.

On March 1, 2005, Canada held an advocacy Day in Washington DC, which took place on Capitol Hill in the context of the Canada-US Partnership Day, an event to "welcome" the 109th Congress. On that occasion, Minister Peterson led a Canadian delegation comprised of parliamentarians, provincial and territorial ministers, as well as private sector representatives with the purpose of drawing the attention of U.S. legislators and their staff on the importance of the Canada-U.S. relationship, and to highlight specific themes such as North American competitiveness and the need to resolve trade disputes. Other developments in recent years have focused on the importance of Canadian advocacy in a range of priority areas including borders, BSE, softwood lumber, agriculture, wheat, energy, the environment and key areas of social policy. For example, the various advocacy campaigns have worked in concrete ways to keep the Canada-U.S. border open and ensure the flow of people and goods. Measures have included the development of early warning systems to counter legislation that could be damaging to Canadian interests, mobilizing senior officials and working with industry to raise the profile of key Canadian interests with U.S. allies, and highlighting Canada's contribution to the United States as its largest and most secure energy supplier.