

proposals to loosen the injury standard for safeguards actions to make import relief more accessible (see Section IV.C.1.a below), it seems very unlikely that the U.S. Government would agree to tighten the injury standard for countervailing duty cases.)

(ii) Another possibility would be to require that the injury result exclusively from the countervailable subsidy, rather than the total quantities of imports. In other words, if the Canadian products undersold the U.S. products by 10%, but the subsidy only contributed a 1% benefit, the ITC would evaluate only the injury caused by the 1% benefit. This principle was formerly applied in U.S. import relief actions, but, in practice, the ITC now considers only the total volume of subsidized imports and not the amount of the subsidy. (Comment: This issue has been the subject of some controversy in the United States. However, we think it unlikely that the U.S. Government would agree to change current ITC practice through an FTA.)

(iii) Another alternative would be to create an injury threshold -- that is, prohibit a finding of injury if Canadian exports constituted less than a specified percentage of all imports or of the U.S. market. Thus, a countervailing duty action