

security of access. In recent years, actions taken under U.S. trade remedy laws against Canadian exports have had a detrimental impact on investment and employment in Canada, and have become a major irritant in Canada-U.S. relations.

In this chapter, the two governments agree that in order for both sides to take equal advantage of the benefits of the Agreement, there will be need for conditions of fair competition to ensure that economic actors on both sides of the border have equal access to the whole free-trade area established by the Agreement. This will be achieved as a result of a three-track set of obligations:

- the development over a five- to seven-year period of mutually advantageous rules governing government subsidies and private anti-competitive pricing practices such as dumping, which are now controlled through the unilateral application of countervailing and antidumping duties;
- bilateral review of any changes in existing countervailing or antidumping laws and regulations for consistency with the GATT and the object and purpose of the Agreement; and
- the replacement of judicial review by domestic courts of countervailing and antidumping final orders by a bilateral panel.

Article 1907 provides that the two governments will work towards establishing a new regime to address problems of dumping and subsidization to come into effect no later than at the end of the seventh year. During the course of the current negotiations, the two sides recognized that developing a new regime was a complex task and would require more time. The goal of any new regime, however, will be to obviate the need for border remedies, as are now sanctioned by the GATT Antidumping and Subsidies Codes, for example, by developing new rules on subsidy practices and relying on domestic competition law. Thus the goal of the two governments remains the establishment of a new regime to replace current trade remedy law well before the end of the transition period.

In the meantime, chapter Nineteen includes provisions to prevent abuse of the current system, thus allowing Canadian exporters to compete in the U.S. market on a more secure, predictable and equitable footing. In Article 1904, the two governments have agreed