
Computer Services and Enhanced Telecommunications Services

Telecommunications are a service themselves (basic telecommunications services), as well as a means of providing other services, such as data processing services (enhanced telecommunications services). This annex is designed to maintain and support the development of an open and competitive market for the provision of enhanced telecommunications services and computer services within and between Canada and the United States. Other than the obligation to provide access to the basic telecommunications network, there are no obligations placed on either country regarding regulation of their respective basic telecommunications services.

Each country must maintain the existing access for the provision of enhanced services through the basic telecommunications networks of the other country and for the provision of computer services. As in the case of other monopolies, the Agreement establishes rules governing the way that basic service telecommunications monopolies conduct themselves when they compete with suppliers from the other country in the provision of network-based enhanced services.

Financial Services

Financial services, other than insurance, are covered in a separate

chapter of the Agreement. This has important implications in terms of how non-insurance financial services are dealt with as compared with the Chapter on Services. Commitments included in the Financial Services Chapter affect only the federal legislation of the two countries; they do not place any obligation on provincial and state governments. Financial services, other than insurance, are not subject to the Agreement's dispute settlement mechanism. Rather, there will be a consultative mechanism between Canada's Department of Finance and the U.S. Treasury.

Among the key provisions that are relevant to Canadian institutions operating in the United States is the U.S. commitment to allow Canadian banks and their securities affiliates to underwrite and deal in the United States in debt securities issued or guaranteed by Canadian governments — federal, provincial or municipal. This was not previously allowed under U.S. law. In addition, the United States guarantees that Canadian institutions will receive the same securities powers as those granted to U.S. banks as a result of any changes to United States banking legislation.