

5) A new regime for trade in alcoholic beverages. The agreement provides that both countries will reduce barriers to trade in wine and distilled spirits. Canada has agreed that at the end of a seven-year period, all U.S. wines will be listed and priced solely on the basis of commercial considerations. The new regime will begin immediately for distilled spirits. The provision requiring that any wine sold in grocery stores in Quebec be bottled in Quebec will remain in place. All existing measures affecting the sale and distribution of beer are grandfathered, while new measures will benefit from the new dispute settlement mechanism if they are challenged by the U.S.

6) Better access for Quebec fish exports. This small but important regional industry will benefit from the removal of U.S. tariffs on its exports (valued at nearly \$100 million). Examples include the tariffs on crabmeat (7.5%) and on groundfish fillets (4 cents per kilogram). The removal of U.S. tariffs on prepared fish products (10 to 17.5%) could provide opportunities for the further processing of fish products. At the same time, Quebec restrictions on the export of unprocessed fish will remain in place.

7) More secure access for all Quebec exports. A top priority for Quebec, as for the rest of Canada, was to obtain greater security in its access to the market so that exporters are not faced with sudden U.S. duties or quotas at the border, that threaten their viability and reduce the incentive to invest in Quebec as a basis for selling in the U.S.

Examples of Quebec exports that have been affected by measures under U.S. trade remedy laws include softwood lumber, subway cars, pork, fish, shingles and shakes, copper and carbon steel. More generally, the security of our trading relationship, has suffered from the lack of an institutional framework to manage our trading relationship and prevent disputes from degenerating into unilateral border measures.

The agreement addresses these concerns by establishing a Canada-U.S. Trade Commission at the political level to oversee and manage matters covered by the agreement. Trade issues of concern to either side will be referred to the Commission for resolution, either by consultations or under the terms of a new dispute settlement mechanism, including matters related to trade remedy laws (i.e. safeguard measures). With respect to countervailing and anti-dumping duties, we have agreed a) to negotiate over the next five years a new regime to deal with these measures, b) to establish a joint panel to guarantee the impartial application of our respective existing laws, and c) to put