

Federal Crown corporations, provincial departments and Crowns, as well as schools, hospitals and universities are not included in the deal; therefore their purchasing practices will not be affected.

3) More secure access for all Nova Scotia exports. A top priority for Nova Scotia, 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 Nova Scotia as a basis for selling in the U.S.

Examples of Nova Scotia exports that have been affected by measures under U.S. trade remedy laws include tires, groundfish, salted codfish and softwood lumber. 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 in place safeguards to ensure that these laws are not changed to our detriment over the next five years.

These provisions of the agreement are a major step forward in securing the access of Nova Scotia exporters to the U.S. market. With respect to the difficult issue of subsidies and countervailing duties, it provides us with the necessary time to negotiate clear rules of the game that meet our shared concern about unfair trade, as well as provide scope to pursue important national and provincial objectives such as regional development. In short, the agreement sets a course for increasing the attractiveness of Nova Scotia and Canada as a location for investment to serve the U.S. market.

4) Better access for Nova Scotia fish exports. The Nova Scotia fishing industry employs approximately 14,000 fishermen and numbers some 294 registered fish processing plants. Three-quarters of its total exports (valued at \$647 million) are destined for U.S. markets.