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## **Marine Mammal Protection Act**

The Marine Mammal Protection Act of 1972 prohibits the taking and importation of endangered marine mammals and marine mammal products, subject to some exceptions. The prohibition has been applied to products of species that are not endangered. In addition, the ban does not apply to marine mammals taken by the Alaskan Aboriginal Peoples for subsistence or for the purpose of creating and selling authentic native articles of handicrafts and clothing. There is no such exception providing similar treatment for Canadian Aboriginal Peoples.

## **Newsprint Recycling Requirements**

Since 1988, a number of states have established programs to promote the recycling of newsprint. These programs are either voluntary or mandatory in nature and typically specify levels of recycled paper to be contained in newsprint. While newsprint recycling legislation has not been adopted so far in the Congress, certain measures have been proposed including content requirements, taxes on virgin materials and tax incentives to purchase recycling equipment. The only U.S. Administration measure on recycling affecting the paper sector has been the Executive Order announced October 20, 1993 by President Clinton calling for minimum recycled content in federally procured paper (20% in 1995 increasing to 30% in 1999). While the objective of the recycling programs is laudable, they should not be implemented in a trade-restrictive manner.

## **Reformulated Gasoline Regulations**

On June 30, 1994 the Environmental protection Agency (EPA) issued a final rule requiring that 30% of the oxygenates in reformulated gasoline (RFG) used in the United States be derived from renewable sources. The main beneficiaries of this requirement would be producers of ethanol from corn. The measure runs contrary to the concept of fuel neutrality, and would affect negatively the use of methanol, a significant Canadian export, as a constituent of RFG.

In addition, ethanol production subsidies are paid to producers in Iowa, Minnesota, Nebraska and South Dakota (20 cents per gallon, and North Dakota (40 cents per gallon). The subsidies reduce the price of ethanol, making it more competitive with other fuel sources such as regular gasoline and natural gas-based methanol

## **Gas Exports to California**

A dispute in past years between the California Public Utilities Commission (CPUC) and Canadian interests regarding the restructuring of the Alberta & Southern supply was resolved earlier through total decontracting. However, there are several outstanding issues which continue to affect Canada's natural gas trade with California. The application of incremental tolling by the CPUC on the expansion of Pacific Gas & Electric in California and the imposition of a crossover ban have made it difficult for expansion shippers (predominantly Canadian producers) to secure markets in California. Incremental tolling on large integrated pipeline systems results in wide rate differentials for similar service and undermines a long-term fair market structure. The CPUC has also allowed discounting on transportation from the U.S. Southwest but has denied the use of discounted contracts on deliveries of Canadian gas.