

products into Canada.

The eight binational Working Groups which are to harmonize technical regulations and standards for a wide range of agricultural, food and beverage goods have begun their work. Responding to industry requests, Canada and the U.S. have recently established a ninth Working Group focusing on fish and fishery products.

Under the auspices of Article 709, Minister of Agriculture Mazankowski and U.S. Secretary of Agriculture Yeutter held meetings May 19 and December 19, 1989 to discuss bilateral and multilateral agricultural trade issues.

1.5 Chapter 8: Wine and Distilled Spirits

The implementation of this chapter has posed some problems. The U.S. is concerned about the audits of provincial "cost-of-service differentials" (COSD) which are justifiable extra costs for handling U.S. products. Five of the requested eight provinces charging COSDs have submitted audits, and the remaining three will also be provided to the U.S. The Provinces have made significant changes to their liquor board practices to implement the Agreement.

1.6 Chapter 9: Energy

Specific provisions were implemented in the following manner: the U.S. has made the required changes to its Atomic Energy Act ensuring continuing access to the U.S. market for Canadian uranium. Prospective U.S. industry legal action against uranium imports has been dropped.

The U.S. issued a temporary order in January to allow exports to Canada of up to 50,000 barrels per day of Alaskan oil. Canada has just received the U.S. draft final ruling for permanent implementation of this provision. Initial reading of the text is positive. One shipment has been made to date.

The U.S. Bonneville Power Administration policy has been modified to afford B.C. Hydro no less favourable treatment than Pacific Northwest Utilities. B.C. Hydro has taken advantage of a new long term policy by Bonneville Power to sign several contracts which, contrary to past practice, are not interruptible.

1.7 Chapter 10: Trade in Automotive Products

Under the FTA, the Auto Pact remains intact with the proviso that it be limited to those Canadian manufacturers which have qualified