

Annex 1001.2b**General Notes****Schedule of Canada**

1. This Chapter does not apply to procurements in respect of:
 - (a) shipbuilding and repair;
 - (b) urban rail and urban transportation equipment, systems, components and materials incorporated there in as well as all project related materials of iron or steel;
 - (c) contracts respecting FSC 58 (communications, detection and coherent radiation equipment);
 - (d) set-asides for small and minority businesses;
 - (e) the Departments of Transport, Communications and Fisheries and Oceans respecting Federal Supply Classification (FSC) 70 (automatic data processing equipment, software supplies and support equipment), FSC 74 (office machines, text processing systems and visible record equipment) and FSC 36 (special industry machinery); and
 - (f) agricultural products made in furtherance of agricultural support programs or human feeding programs.
2. This Chapter does not apply to the procurement of transportation services that form a part of, or are incidental to, a procurement contract.
3. Pursuant to Article 1018, national security exemptions include oil purchases related to any strategic reserve requirements.
4. National security exceptions include procurements made in support of safeguarding nuclear materials or technology.
5. The most-favored-nation obligation of Article 1003 does not apply to procurements covered by Annex 1001.2c.