

should be adopted: a preparatory phase until the outcome of the Multilateral Trade Negotiations Round is known, with substantive negotiations to follow (likely in early 1991).

Work is underway to ensure that the Canadian side is fully prepared for future negotiations. A contracted survey of U.S. federal and selected state government assistance to business has just been completed for the Department of External Affairs and International Trade and the Department of Finance. As well, Agriculture Canada will be undertaking an extensive examination of assistance provided to U.S. agricultural producers by all levels of government. A broad-based program of consultation is underway on these issues which will ensure that views representative of a wide range of interested parties, regions and industry sectors are taken into account. Initial consultations with the provinces have been completed. Consultations with business groups, labour organizations and other interested parties will be carried out over the next few months.

1.14 Chapter 20: Other Provisions

A. Intellectual Property

Canada and the United States agreed to cooperate in ongoing multilateral intellectual property negotiations, especially the GATT Uruguay Round Trade Related Intellectual Property (TRIPS). The TRIPS negotiations are proceeding actively, although significant differences remain. Should there be a successful TRIPS outcome, these provisions may be incorporated into the FTA.

B. Retransmission

Canada agreed to implement in the Copyright Act a right of payment for copyright owners of broadcast programs retransmitted by cable companies, effective January 1, 1990. The scheme, which applies to distant Canadian and U.S. broadcast signals carried by Canadian cable operators, will be administered by the Copyright Board. It has received proposals from a variety of groups, including Canadian and U.S. rights owners and cable operators, which it will examine in the course of determining how the scheme should operate, including the setting of appropriate rates. The hearings, which began November 27, 1989 are expected to continue into the early spring 1990.

The U.S. initiated a complaint under the dispute settlement provisions of the FTA concerning Canada's definition of "local" signal, which they believe excludes too many signals from U.S. border stations from payment. Canada has made a complaint over provisions of the U.S. retransmission scheme which treat Canadian copyright owners differently from those in the U.S. Both disputes