



In addition, Canada has been seeking the inclusion of a laminae standard within the framework of the JAS 143 revision, so that Japanese laminators can source JAS-certified laminae and avoid costly regrading before laminating in Japan. Since March 1995, expert-level discussions involving Canadian technical experts have taken place, resulting in a JAS 143 revision committee. Canada is pleased with the formation of the JAS 143 revision committee, and will urge that knot displacement and a laminae standard be considered at the time of revision.

Horizontal Application Plywood

Notification 56 of Japan's Building Standards Law currently requires blocking for horizontal application of structural plywood in 2x4 construction. This forces builders to use blocking or, more commonly, to waste up to 25% of the plywood panel, without any significant gains in structural performance. Acceptance of horizontal application plywood without blocking would reduce plywood waste and construction times. Canada has requested an amendment of Notification 56 of Japan's Building Standards' Law to assign a shear wall factor for horizontally applied plywood without blocking. Technical discussions between Canada and Japan continue.

Telecommunications Equipment

Since 1986, Canada and Japan have agreed to mutual recognition of each other's testing for certification in each country for wired telecommunications equipment. Additional measures are needed, however, to facilitate and reduce the high cost of certification for interfacing equipment for both wired and especially wireless networks. A proposal to discuss mutual recognition of these testing and certification procedures was made to the Japanese Ministry of Posts and Telecommunications (MPT) in January 1997. Canada's desired outcome is to implement MRAs for both wired and wireless equipment that are balanced and transparent. Canada has provided technical information to the MPT as a basis for further discussion.

In December 1997, following representations by Canada and other governments, the Radio Equipment Inspection and Certification Institute (known by the Japanese initials MKK) announced that the processing period for certification requests

would be cut in half, and the rates it charges for certification would be dramatically reduced by up to 35%, with an eventual target of one third of the previous rates.

IMPROVING ACCESS FOR TRADE IN SERVICES

Financial Services

In late 1996, the Japanese government announced Tokyo's version of a financial market "Big Bang" to be implemented between 1997 and 2001. With the implementation of the revised Foreign Exchange Trade and Control Act, the changes to the Anti-monopoly Act, which will allow financial holding companies and the establishment of the new Financial Supervision Agency in July, 1998, will be a key year in the Japanese financial market-liberalization process known as the "Tokyo Big Bang." Foreign financial institutions are making considerable headway in Japan in areas as diverse as asset and pension management, equity sales and insurance. Several Canadian financial institutions have also upgraded their Tokyo operations to take advantage of opportunities being created by the Japanese financial deregulation process. The Canadian government and Canadian financial companies will continue to follow with interest the restructuring of the Japanese financial sector, and the opportunities that arise with the implementation of bilateral and multilateral financial-services negotiations.

Telecommunications Services

Japan is implementing significant steps to deregulate its telecommunications services market. In line with the Agreement on Basic Telecommunications (ABT), Japan has taken steps to permit foreign access for the supply of all basic telecommunications services. Foreign investment in new companies is unrestricted. Foreign investment in NTT and KDD is still limited to 20%, but the limit on KDD will be removed with the abolition of the KDD Law in the summer of 1998. Domestic and international simple resale, and Internet telephony, are now permitted, and new rules for interconnection will likely become law by the middle of 1998. This will provide more opportunities and competition for Canadian telecommunications