

Annex 905.2: Regulatory and Other Measures

Paragraph 1 makes clear that it is the third National Energy Board (NEB) price test which is to be eliminated. This test compares the prices in export contracts to those for the least cost alternative for the export customer. The NEB can continue to operate its other price tests relative to the recovery of costs and the price available to Canadians for comparable service.

Paragraph 4 makes clear that, consistent with the Agreement, surplus tests can continue to be operated by either Party (e.g. by the NEB in Canada).

Chapter 10: Trade in Automotive Goods

There has been no substantive change from the Elements of Agreement. The provisions in the Elements of the Agreement on automotive tariffs, duty drawbacks, and foreign trade zones are not part of Chapter 10 since the general treatment provided for these subjects in Chapters 3 and 4 cover trade in automotive goods.

Article 1003: Import Restrictions

This article specifies the schedule for phasing out the embargo on used vehicles, such that after five years, there are no restrictions on the import of used automobiles and other motor vehicles.

Article 1005: Relationship to Other Chapters

This article contains a provision which would allow manufacturers to average their calculations for purposes of meeting the rule of origin.

Article 1006: Definitions

This article contains definitions of terms used in the automobile chapter.

Annex 1002.1

This three-part annex lists the companies eligible for various forms of waivers of customs duties.