

fees on foreign beer and dictate uniform prices for imported beers and wines for the entire U.S. market. Local producers, on the other hand, have the advantage of lower fees and the opportunity to be more price-competitive in local markets. Some states maintain listing practices which discriminate against imported wine and beer. Finally, the federal government and several state governments maintain tax measures designed to benefit local beer and wine producers (see dispute settlement panels, Section XII).

### **Minimum Size Restrictions**

U.S. federal legislation places limits on the size of live lobsters and various species of groundfish imported from Canada. Numerous states apply minimum size restrictions to imports of live lobsters, frozen lobsters and lobster products (see dispute settlement panels, Section XII).

### **Marine Mammal Protection Act**

The Marine Mammal Protection Act of 1972 prohibits the taking and importation of endangered marine mammals and marine mammal products, subject to some exceptions. The prohibition has been applied to products of species that are not endangered. In addition, the ban does not apply to marine mammals taken by Alaskan Aboriginal Peoples for subsistence or for the purpose of creating and selling authentic native articles of handicrafts and clothing. There is no such exception providing similar treatment for Canadian Aboriginal Peoples.

### **Newsprint Recycling**

A number of U.S. states have established programs to promote the recycling of newsprint. These programs are either voluntary or mandatory in nature and typically specify the levels of recycled paper to be contained in newsprint. The recycling programs are primarily intended to reduce the amount of waste paper in landfill sites. While the objective of the recycling programs is laudable, they should not be implemented in a trade-restrictive manner.

### **Tobacco**

Under the Agricultural Reconciliation Act of 1993, U.S. cigarette manufacturers are required to use at least 75% domestic tobacco in their annual production. Failure to comply attracts financial penalties. This domestic preference places Canadian exporters at a disadvantage (see dispute settlement panels, Section XII).