
As the Canadian Steel Producers' Association has commented "The Agreement has removed a great deal of uncertainty in terms of steel industry investment decisions, and they can look forward to an improved business climate." Officials of the Department of Regional Industrial Expansion, both at headquarters in Ottawa and in the regional offices, stand ready to assist Canadian firms to understand better U.S. trade legislation as it may affect their particular activity.

Government Procurement

In the last round of the General Agreement on Tariffs and Trade (GATT) negotiations, the Government Procurement Code was negotiated. It covers goods procured by various government bodies above a certain dollar threshold. The Agreement lowers that threshold between Canada and the United States from Can\$238,000 (US\$171,000) to Can\$33,000 (US\$25,000).¹² Above this value, Canadian and American suppliers will be treated equally for procurements by the federal government entities covered in the GATT Code, although both countries have reserved the right to exclude contracts directed to small business. Both countries have agreed to work together for greater liberalization of procurement practices both bilaterally and multilaterally. Furthermore, both governments have agreed to more effective and transparent procedures which will facilitate access to this important market. A bid challenge mechanism

will permit suppliers who believe they have been treated unfairly to obtain an equitable and timely review of the procurement in question.

The Agreement does not affect procurement by provincial or state governments and their agencies. For Canada, 22 government departments and 10 agencies are covered. Procurement by certain key Canadian federal institutions is not covered. This is the case for the Departments of Transport, Communications, Fisheries and Oceans, all Crown corporations (except Canada Post and the National Capital Commission) and other Crown agencies. For the United States, 11 of 13 government departments are covered by the Agreement with the exception of the departments of Energy and Transport. A total of 40 U.S. governmental agencies, as well as NASA and the General Services Administration, are included. For both countries, Department of Defence procurements are covered within certain defined product categories such as vehicles, engines, industrial equipment and components and commercial supplies, but military and strategic hardware are excluded, as are procurements related to national security.

¹² With the implementation of changes to the GATT Procurement Code effective February 14, 1988, the GATT threshold value is now Can\$213,000 (US\$156,000).