

for the industry. The U.S. FDA and Customs and Border Protection considered many of Canada's comments in the rule-making process.

- On July 15, 2004, following ratification by the Mexican Senate, measures to liberalize the NAFTA rules of origin applicable to seven products were implemented trilaterally, making it easier for exporters of these products to comply with rules of origin and to benefit from duty-free treatment under NAFTA. Canada and the United States had earlier implemented these measures on January 1, 2003.
- Canada, in concert with eight of the Enhanced Representation Initiative partners, organized and implemented technology partnership business missions in such sectors as nanotechnology, photonics, hydrogen fuel cells, medical devices and security products.
- Canada and the United States agreed to establish a pilot project under which industrial alcohol and fuel alcohol produced in Canada could be shipped directly to U.S. customers without being subject to an excise tax upon entry; these items must normally be shipped to a U.S. distilled spirits plant in order to avoid the excise tax.
- On August 17, the United States became the first of Canada's trading partners to remove its avian influenza-related trade restrictions against British Columbia.

#### **Canada's Market Access Priorities for 2005**

- Continue to pursue the removal of duties on Canadian softwood lumber exports to the United States.
- Continue to press the United States to repeal the WTO-inconsistent Byrd Amendment.
- Regarding BSE, work with the U.S. Administration to ensure access for live animals and other products through the implementation of the U.S. Department of Agriculture's January 2005 final rule.
- To work with the U.S. Administration on a second rule that would fully normalize trade and allow access for animals and products not covered by the January 2005 rule.
- Continue implementing the Canada-U.S. Smart Border Action Plan to build a secure and efficient border that is open for business but closed to terrorists.
- Continue to pursue the removal of duties on Canadian wheat exports to the United States.
- Continue to work with the Canadian hog industry and provincial governments to defend the interests of hog exporters in the U.S. Department of Commerce "live swine" countervailing duty investigation.
- Explore possibilities for greater Canada-U.S. regulatory cooperation.
- Ensure that the United States respects its WTO domestic support commitments in implementing the Farm Act and continue to press the United States to fully repeal mandatory country-of-origin labelling (COOL) legislation.
- Continue to monitor the impact of the Bioterrorism Act on Canadian exports and press the U.S. Food and Drug Administration and Customs and Border Protection Bureau to harmonize regulations for prior notice of shipments to avoid unnecessary disruption of trade.
- Continue to press various U.S. states to ensure that Canadian firms are taxed in a fair and consistent manner in accordance with international taxation norms.
- Continue to pursue the removal of duties on Canadian wheat exports to the United States.
- Continue to work with the Canadian hog industry and provincial governments to defend the interests of hog exporters in the U.S. Department of Commerce "live swine" countervailing duty investigation.
- Continue to press various U.S. states to ensure that Canadian firms are taxed in a fair and consistent manner in accordance with international taxation norms.
- Continue to oppose the extraterritorial application of U.S. laws and regulations.
- Continue to extend Canada's network of representation in the United States for greater strategic impact and engagement on investment and trade issues.