

in place on Canadian products. Of the five reviews completed in 2000, three resulted in continuation of the orders while the two others resulted in revocation. Of the fifteen sunset reviews of U.S. anti-dumping and countervailing duty orders in place on imports from Canada prior to 1995, all but five have been revoked. Finally, Canadian officials assisted Canadian producers of sodium sulphate by offering advice on specific aspects of the anti-dumping duty investigation conducted by the United States during the period of review.

### **Trade Remedy Investigations**

In 2000, only one anti-dumping investigation was conducted by the United States on imports from Canada: sodium sulphate. The investigation was terminated without the application of additional duties. Canada participated in the investigation by the U.S. International Trade Commission as to whether a safeguard measure on wheat gluten, from which imports from Canada were excluded further to the NAFTA, should be extended. Over the same period, Canada completed three anti-dumping investigations against products from the United States: contrast media; refrigerators, dryers and dishwashers; and bingo paper. The first two resulted in the imposition of anti-dumping duty orders while the other (bingo paper) resulted in a price undertaking. As well, Canada initiated anti-dumping and countervail investigations of imports of certain U.S. grain corn into western Canada. On March 7, 2001, the Canadian International Trade Tribunal (CITT) issued a finding that the subject grain corn imports have not caused and are not threatening to cause injury to Canadian producers.

### **Government Procurement**

Canada will continue to press the U.S. government to further open its procurement markets to Canadian suppliers. Currently, U.S. government exceptions under NAFTA and WTO procurement agreements prevent Canadian suppliers from bidding on a broad range of government contracts in sectors of key importance. Especially onerous are the set-aside programs for small and minority-owned businesses and the Buy American provisions. In addition, both long-standing and ad hoc legislative provisions, as well as conditions attached to funding programs, impede access for Canadian suppliers. The need for progress in both assuring and improving access for

Canadian suppliers at the U.S. federal, state and local levels remains a key issue for provincial governments in determining whether to offer to open Canadian provincial and local government markets.

### **Small Business Set-asides**

The Canadian government remains concerned about the extensive and unpredictable use of exceptions to the NAFTA and the WTO Agreement on Government Procurement for small business set-asides. Canadian suppliers face the ever-present possibility that government markets that they have successfully developed and supplied competitively will subsequently be closed through the application of the set-aside exception. The definition of a U.S. small business varies by industry, but is typically 500 employees in a manufacturing firm (up to 1,500 employees in certain sectors) or annual revenues of up to US\$17 million for a services firm. Recently, U.S. federal departments and agencies have not been meeting their target of awarding 23 percent of contract dollars to small business. This has already resulted in new directives on enforcement of the existing programs and may result in pressure to create new programs. In addition, the U.S. government requires that bids from contractors and major subcontractors include plans to subcontract work to U.S. small business. Canada is also concerned that the use of such subcontracting plans impedes Canadian access to the U.S. market. We will continue to press the Administration on this matter.

### **Buy American**

Buy American provisions are applied extensively to U.S. federal government procurement that is not covered by the NAFTA or the WTO. Since these trade agreements only require equal treatment of Canadian offers on direct purchases by the U.S. federal government included in the agreement, a wide range of other federal government procurement contains Buy American provisions.

### **Department of Defence Procurement**

Under the Canada-U.S. Defence Production Arrangement and the Defence Development Sharing Arrangement, Canadian industry has access to this huge market for equipment and R&D. This relationship requires continuous vigilance and maintenance to prevent erosion, whether intentional or inadvertent.