

2. Technical Specifications and Tendering Documents

Prior to the actual solicitation of bids on designated items listed in Schedule I, the project sponsors in each country will submit technical specifications and tendering documents to the appropriate domestic regulatory authority, which will first expeditiously review the solicitation information for possibly restrictive language that would prohibit open competition and then expeditiously convey prohibit open competition and then expeditiously convey copies of such information on a confidential basis to the regulatory authority of the other country both directly and through normal diplomatic channels. The regulatory authority of the other country will have 14 calendar days following its receipt to review such information and to submit any proposed modifications in the technical specifications or tender document to the responsible regulatory authority, which in turn will communicate such representations to the originating project sponsor. Should the project sponsor not be prepared to accept the modification of the technical specifications or tender document proposed by the regulatory authority of the other country, the reasons for its position shall be communicated to that authority by the responsible domestic authority.

3. Recommended Decisions to Purchase or Negotiate

Following the receipt and evaluation of bids on designated items listed in Schedule I, the project sponsor will submit its conclusions in a report satisfactory to the domestic regulatory authority with respect to the purchase of supply, or of entering into negotiation with one or more firms for the purpose of reaching contract agreement, to the responsible domestic regulatory authority. After expeditiously reviewing these submissions for general competitiveness, the domestic regulatory authority shall prepare and submit to the regulatory authority of the other country a meaningful summary of the report and of its conclusions. Such information shall include an outline of the factors which were taken into account by the project sponsor in arriving at its conclusions, and, in cases where consideration of industrial benefit were involved, demonstrate that they came within the framework of general competitiveness. While maintaining the confidentiality of proprietary commercial information, including the tender prices of individual bidders, such summaries should be designed to make possible an assessment of the extent to which the proposed procurement conforms with the stated objectives of the Canada-United States Agreement. In cases where bids submitted by either Canadian or United States firm on tenders called by sponsoring companies in the other country have been rejected or accepted only in part, the conclusions of the project sponsor and the reasons for them as outlined in the project sponsor's report will be communicated by the responsible domestic regulatory authority to the regulatory authority of the other country as part of the meaningful summary.

In the event the regulatory authority in the other country wishes to raise questions with respect to the conclusions or the summary containing the factors which led to those conclusions, or wishes to initiate formal consultations as provided for under Clause 7(b) of the Canada-United States Agreement on Principles, it will be required to provide notification to the responsible domestic regulatory authority within a period of 14 calendar days.