

should result in most government purchasing being opened to competition to suppliers on both sides of the border. They have agreed:

- to build on and improve the GATT Procurement Code for bilateral trade;
- to work together to increase the coverage and procedures of the GATT Code in the Uruguay Round of Multilateral Trade Negotiations; and
- to negotiate further improvements in the bilateral Agreement once multilateral negotiations are concluded. Opening the U.S. procurement market further will constitute an important gain in new market access for Canadian producers and will stimulate investment and rationalization to achieve economies of scale and specialization.

The GATT Government Procurement Code allows suppliers of signatory countries to compete for purchases by specified government entities but applies only to purchases above a threshold. Canada and the United States have now agreed to increase the amount of procurement open for competition by lowering the threshold and to improve government purchasing procedures. Buy-national restrictions will be eliminated for procurements between U.S.\$25,000 (CDN\$33,000) and the Code threshold of U.S.\$171,000 (CDN\$ 238,000), for purchases by Code-covered entities of covered goods.

For purchases within North America, the two governments have agreed to improve upon the procedures of the GATT Code. For example, jointly agreed principles governing bid challenge procedures will ensure equitable and effective treatment for potential suppliers. An impartial reviewing authority will investigate situations where suppliers believe they have been unfairly treated and will ensure a timely decision. The reviewing authority will also be able to recommend changes in procurement procedures in accordance with the Agreement. The governments also agreed upon a common rule of origin and improved transparency measures, particularly for those procurements which are tendered by a single firm.

For the United States, 11 out of 13 government departments are covered by the GATT Code, with the only exceptions being the