

In addition, two safeguard investigations involving imports of carbon-steel wire rod and carbon-steel line pipe resulted in findings that, further to the provisions of the NAFTA, imports from Canada were not injuring U.S. industry.

Over the same period, Canada initiated two anti-dumping duty investigations against products from the United States: contrast media; and refrigerators, dryers and dishwashers. Both investigations are still in progress.

### **Electricity**

The United States is taking action at the federal and state levels to deregulate the electricity sector, with a view toward increasing competition, creating market efficiencies and lowering costs to consumers. This restructuring may create both opportunities and risks for Canadian electricity suppliers in the U.S. market. Prospects for increased trade may be influenced by new markets and market structures, innovation in services and expanding energy demand. On the other hand, as a result of earlier deregulation efforts, the United States requires that Canadian suppliers seeking access to U.S. wholesale markets offer reciprocal access to their own transmission lines. Current restructuring legislation focuses on opening access to the retail sector, possibly also on a reciprocal basis. Other provisions would exclude Canadian-origin products from part of the U.S. market by requiring U.S. suppliers to purchase non-hydroelectric U.S.-origin renewable energy. The legislation also addresses continent-wide systems reliability standards and the establishment of transmission organizations (common carriers), two issues that could impact Canadian sovereignty and jurisdiction. Separate legislative initiatives have been proposed that specifically target Canadian electricity suppliers.

Canada, in consultation with provincial government officials and the industry, will continue to consult with U.S. officials and monitor developments in the U.S. electricity sector to assess the conformity of these proposals with U.S. international trade obligations, as well as other commercial and economic implications. In addition, an active advocacy plan is being developed to promote and defend Canadian trade interests in Congress and with the Administration.

### **Mutual Recognition Agreement on Fish Inspection Systems**

In 1999, Canadian Food Inspection Agency (CFIA) and U.S. FDA officials continued discussions on a fish inspection MRA. Such an agreement would facilitate bilateral trade in fish and fish products. Canada's objective is to complete these discussions in 2000.

## **IMPROVING ACCESS FOR TRADE IN SERVICES**

### **Financial Services**

The abrogation of a key financial legislation (the Glass-Steagall Act) in 1999 has opened the U.S. insurance markets to Canadian banks. With respect to the cross-border provision of services, Canada wishes to see a more level playing field in the securities sector. As required under the NAFTA, Canada, Mexico and the United States revisited this issue in early 1999. It was agreed that Canada and the United States would pursue discussions on the regulation of cross-border securities trade bilaterally.

### **Telecommunications**

In late 1999, the Federal Communications Commission (FCC) announced streamlined procedures to facilitate market entry for foreign service providers of fixed satellite services. This may provide Canadian service suppliers with a faster and more transparent licencing process; however, a licence may still be denied if there are national security, law enforcement and foreign policy or trade concerns raised by the Executive Branch.

In light of the lengthy delays that some Canadian companies have experienced in gaining access to the U.S. market, Canada will continue to monitor carefully U.S. implementation of its WTO commitments with respect to telecommunications services to ensure that Canadian service providers are subject to timely and transparent licencing procedures.