

(or planning to). Canada will continue to actively monitor the United States' implementation of its WTO commitments.

### **Shipping**

A number of maritime laws (collectively known as the Jones Act) impose restrictions on foreign participation in the U.S. domestic maritime industry. Canada's particular concern relates to the "U.S. build" requirement, which severely limits the use of Canadian-built vessels in the U.S. domestic commercial maritime industry. In addition, several subsidies and other support measures are available to operators of U.S. vessels. Canadian shipbuilders are also virtually barred from participating in the U.S. defence maritime industry: the defence-related prohibitions of the Byrnes-Tollefson Amendment preclude the Department of Defense from using a foreign shipyard to construct any vessel or major component of the hull or superstructure, or to conduct repair, overhaul or maintenance of ship hull structures in foreign shipyards. Canada will continue to use every appropriate opportunity to raise the issue of the U.S.-build requirement relating to maritime transportation.

### **Temporary Entry**

Facilitating the temporary entry of business people into the United States in order to promote trade in services, goods and investment remains a priority. Canada continues to discuss broader border management issues with the United States through the Smart Border process. NAFTA contains comprehensive temporary-entry provisions that facilitate the movement of business persons in four categories: business visitors, intra-company transferees, professionals, and traders and investors. There is ongoing work in the NAFTA Temporary Entry Working Group to further facilitate the movement of business persons and to develop a trilateral approach to expanding the number of professions that are eligible for NAFTA treatment. Recent additions to the list of eligible professions under NAFTA include actuaries and plant pathologists. In addition, there is an agreement to consider NAFTA coverage for additional information technology professionals.

Despite NAFTA Chapter 16, general immigration provisions and the work being done on the Smart Border Action Plan, U.S. temporary entry remains a concern. Delays at the border or denial of entry can result in loss of business and additional expense for businesspeople, employers and their clients. Moreover, there still appears to be a lack of knowledge or understanding of the NAFTA cross-border provisions among Canadian business persons. Government officials will continue their efforts to raise awareness of the NAFTA provisions within the Canadian business community and to work with U.S. immigration officials to ease some of the U.S. temporary-entry difficulties.

## **MONITORING DEVELOPMENTS AFFECTING CANADIAN INTERESTS**

### **Canada-U.S. Consultative Committee on Agriculture**

Established as a result of the 1998 Canada-U.S. Record of Understanding on Agricultural Trade, the Canada-U.S. Consultative Committee on Agriculture (CCA) provides an ongoing process for enhancing the management of bilateral agricultural trade relations. Specifically, the CCA institutionalizes a comprehensive early warning and consultation process to resolve emerging problems before they develop. The semi-annual meetings of the CCA provide a high-level forum for strengthening agricultural trade relations between Canada and the United States through cooperation and coordination on matters related to agriculture. These include, but are not limited to, agricultural trade and market access, and sanitary and phytosanitary issues.

Further opportunities to enhance cooperation and coordination in areas of common concern occur in the Canada-U.S. Provincial/State Advisory Group (PSAG), established under the rubric of the CCA. The PSAG provides a forum in which producers and exporters, through their provincial and state governments, can raise bilateral agricultural trade issues. The PSAG generally meets twice a year and refers matters as appropriate to the CCA for consideration. In addition, the CCA also encourages joint bilateral industry groups to inform the CCA of their views on trade issues, particularly those that affect bilateral trade.