

certainty and clarity to the law by interpreting general legislative standards in individual cases and then codifying the interpretations so that they are easier to understand and apply.)

(ii) Application of the "differential subsidy" concept. Under this principle, either

- (1) domestic industries that are themselves subsidized would be prohibited from initiating a proceeding or
- (2) only the differential between the subsidies of the domestic and foreign industries could be countervailed.

(Comment: The differential subsidy approach appears unrealistic, since it is novel and would involve complex two-country investigations.)

(iii) An increase in the de minimis standard. Under current ITA practice, a subsidy generally is deemed de minimis if it results in a margin of 0.5% or less. An FTA could raise the standard for Canada, requiring a de minimis finding if the margin was, for example, 2% or less. (Comment: Since raising the de minimis standard would expressly permit Canada to engage in subsidy practices to a greater extent than it may currently, that proposal would likely be unacceptable to the U.S. Government unless attractive reciprocal concessions were made.)