

all regions of the United States must meet the standards established under the order, even though competing U.S. producers in areas excluded from the order are not subject to the same standards.

Gas Exports to California

In line with its policies of deregulation of the gas trade, the California Public Utilities Commission has ruled that the pipeline carrying gas from Alberta and British Columbia to northern California should be opened to direct purchases from Canadian producers by institutional consumers in California. The decision would enable California to undermine existing long-term supply contracts. The CPUC's actions are inconsistent, in a number of respects, with the provisions of the FTA.

Alcoholic Beverages

Federal and state legislative measures have established several barriers to imports of Canadian beer, wine and cider into the U.S. market. Such measures include state-mandated distribution systems that impose added costs on importers of Canadian products. Other measures relate to beer with an alcohol content of less than 3.2 per cent (typically produced by U.S. brewers but not by Canadians).

Several U.S. states require that imported beer and wine be sold through an in-state agent or middleman, whereas local breweries and wineries can sell product directly to retailers. Some states require that foreign beer be transported exclusively by private transport companies, while locally produced domestic beer can be shipped directly to retailers by the breweries themselves. Various other state measures impose higher licensing fees on foreign beer and dictate uniform prices for imported beers and wines for the entire U.S. market. Local producers, on the other hand, have the advantage of lower fees and the opportunity to be more price-competitive in local markets.

Minimum Size Restrictions

U.S. federal legislation places limits on the size of live lobsters and various groundfish imported from Canada. Numerous states apply minimum size restrictions to imports of live lobsters, frozen lobsters and lobster products.

Marine Mammal Protection Act

The Marine Mammal Protection Act of 1972 prohibits the taking and importation of certain marine mammals and marine mammal products, subject to certain exceptions. The prohibition does not apply to marine mammals taken by Alaskan