The four undertakings mentioned above are the following. First, both countries have agreed to eliminate all tariffs, including those that apply to cultural products. Second, when a U.S. company is required by Canadian law to sell a Canadian cultural business, Canada will ensure that the seller receives a fair open market value. Third, both countries will provide copyright protection for cable retransmission of broadcast programming from distant television stations. Fourth, the requirement for a Canadian magazine or newspaper to be typeset and printed in Canada in order that Canadian advertisers be able to deduct their expenses for income tax purposes for advertising space in that magazine will be eliminated. In addition, the provision in the Agreement on the exemption of cultural industries provides that if either Canada or the United States introduces a cultural measure that would, but for the exemption, be inconsistent with the obligations in the Agreement, either country may only take measures of equivalent commercial effect in response to such actions. The cultural exemption places absolute limits on the amount of retaliation which can be imposed.

Existing Investment Canada policies which permit the review of foreign investments in cultural industries are maintained, as are Canadian ownership requirements in the broadcasting and cable television sector under the *Broadcasting Act*. Canadian cultural institutions such as the CBC, the National Film Board, and Telefilm Canada are not affected, nor are federal or provincial subsidies for cultural programs.

Monopolies

The Agreement does not prevent either country from maintaining or establishing monopolies. With respect to future monopolies and only if that monopoly may affect interests of persons of the other country, the designating country will notify and, if requested, consult with the other country and attempt to minimize or eliminate the impairment of benefits, if any, under the Agreement. Also with respect to future monopolies, the designating country will ensure that sales by the monopoly will not be discriminatory against persons or goods of the other country.

In addition, firms with monopoly positions in one sector are also engaged in businesses outside the area of their monopoly in competition with other firms. Usually, their non-monopoly business requires the services they provide on a monopoly basis. Where there are competitors for such business, the Agreement requires that the monopoly firms not engage in anti-competitive practices against service providers of the other country.