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## Permanent Paper Standards

U.S. Government paper permanence standards, set by the Joint Committee on Printing of the U.S. Congress, serve as *de facto* national standards for the production of permanent paper in the United States. These standards use maximum lignin content and production process specifications rather than performance-based specifications for strength and brightness. The effect of these specifications is to limit access for certain Canadian pulp exports.

## BATF Controls for Industrial Alcohol

The United States Bureau of Alcohol, Tobacco and Firearms (BATF) requirement that alcohol imports be shipped through a U.S. distilled spirits plant (DSP) for standards testing and taxation control purposes is a barrier to Canadian exports of industrial alcohol. This requirement imposes considerable additional costs on Canadian suppliers, which restrict their access to the U.S. market. In addition, the requirement to supply commercially sensitive information to the DSPs, which are often direct U.S. competitors, poses major problems for potential Canadian exporters.

## Electricity Transmission

The Federal Energy Regulatory Commission (FERC) denied an application in 1995, by the U.S. marketing affiliate of a Canadian utility, to sell power in the United States at market-based rates. In its decision, the FERC noted that the applicant failed to meet the FERC's criteria for lack of market power in generation and in transmission. One of the FERC's five Commissioners noted that in order to be successful in such an application, the utility must offer, to its competitors in Canada seeking to supply U.S. markets, comparable access to transmission lines in Canada as the utility itself enjoys.

This decision raises broader concerns regarding the implications for Canadian electricity exporters of the ongoing restructuring of the U.S. electric utility sector. This restructuring is intended to replace the existing regulatory regime with one based on competition. In this regard, the FERC will issue new regulations in 1996 aimed, among other things, at opening access to the transmission lines of utilities selling power in the United States.

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