

### **Article 710: International Obligations**

This article specifically provides that both Canada and the United States maintain their rights and obligations under Article XI of the GATT. This ensures that Canada may maintain import quotas necessary to protect existing or new national supply management programs.

### **Chapter 8 Wine and Distilled Spirits**

Chapter 8 provides a detailed elaboration of the obligations which were agreed to in the Elements of the Agreement.

#### **Article 803: Pricing**

The wording sets out with specific dates, the timetable agreed to in the elements.

#### **Article 804.3: Distribution**

This article makes clear that the provision to grandfather Quebec grocery store sales of wine applies to the province of Quebec. In addition, the text clarifies that outlets (i.e. SAQ) must be available to distribute imported U.S. wine.

#### **Article 808: Definitions**

The definitions section clarifies that for Article 804, wine store outlets that are grandfathered are those in operation, in the process of being built, or where an application had been approved.

This will ensure that those companies who had received provincial approval and had made commercial plans and commitments will be able to carry through with their approved stores.

### **Chapter 9: Energy**

The Energy Chapter has given rise to a number of misunderstandings as to its scope and content since the publication of the Elements of Agreement. The text in a very detailed and clear way translates faithfully the Elements in a way which Canadians will see safeguards our energy interests.

It makes very clear that Canada has no obligation to supply energy to the U.S. However, in cases of short supply, cutbacks in exports to the U.S. and the administration of the cutbacks would be done in a fair way. The proportionality test for energy is identical to that provided for all other goods.