

- (b) Develop and implement the following new emission control measures:
- (i) Proceed with consultations with the objective of developing and implementing a Memorandum of Understanding between Environment Canada and manufacturers and importers of on-road vehicles to ensure that low-emission vehicles will be marketed and sold in Canada in the 2001-2003 model years, in alignment with the voluntary U.S. National Low Emission Vehicle (NLEV) program.
  - (ii) Emission regulations under the *Canadian Environmental Protection Act 1999* for new on-road vehicles and engines to align with future U.S. national standards beginning with the 2004 model year, including the U.S. Tier 2 program for new light-duty vehicles, light-duty trucks and medium-duty passenger vehicles and Phase 1 and Phase 2 programs for new heavy-duty vehicles and engines. The final standards and effective dates are subject to the procedures and outcome of the regulatory development process.
  - (iii) A regulation under the Canadian Environmental Protection Act 1999 to reduce the allowable level of sulphur in on-road diesel fuel to align with future U.S. standards. The final standards and effective dates are subject to the procedures and outcome of the regulatory development process.
  - (iv) Emission regulations under the *Canadian Environmental Protection Act 1999* for new non-road engines aligned with the U.S. federal emissions program. The final scope of the standards and effective dates are subject to the procedures and outcome of the regulatory development process.
2. With respect to stationary sources of NO<sub>x</sub> emissions, Canada shall control and reduce its emissions in accordance with the following obligations:
- (a) By 2007, cap the annual total emissions of NO<sub>x</sub> (as NO<sub>2</sub>) from fossil fuel-fired power plants with a capacity greater than 25 megawatts within the PEMA at 39 kilotonnes for the Ontario portion of the PEMA and 5 kilotonnes for the Quebec portion of the PEMA.
  - (b) Proposed national Guideline under s.54 of the *Canadian Environmental Protection Act, 1999*, respecting Renewable Low-Impact Electricity.
3. With respect to sources of emissions of VOC, Canada shall control and reduce its emissions in accordance with the following obligations:
- (a) Canadian Environmental Protection Act 1999, Proposed national Regulation on Tetrachloroethylene and other toxic substances used in dry cleaning.