

OTHER ISSUES

Customs and Administrative Procedures

Following the signing of the Shared Border Accord in 1995 and the subsequent visit of the Prime Minister to Washington, DC in 1997, Canada and the United States have pursued several initiatives to strengthen cooperation at the border. To realize the benefits of free trade, Canada and the United States are working to facilitate trade and tourism, while protecting our respective citizens against the threats associated with illicit activities such as illegal immigration, drugs and terrorists. Under the Shared Border Accord, the two countries have established new mechanisms for managing the transboundary movement of goods and people, including reducing the number of stops for carriers moving goods-in-transit through either country; promoting the use of joint or shared border facilities; and introducing new technologies to detect drugs and to enable remote inspection of travellers. Canada and the United States remain committed to making our shared border a model of cooperation and efficiency, as illustrated by the signing of the Canada-United States Partnership (CUSP) during President Clinton's October 1999 visit to Ottawa.

Intellectual Property

Under Section 337 of the U.S. Tariff Act of 1930, imported products that are alleged to infringe upon U.S. intellectual property (IP) rights can be barred from entering the United States by the ITC. Section 337 provisions contain more direct remedies against alleged infringers than those available in U.S. domestic courts, and the administrative procedures in the ITC can be more onerous. U.S.-based alleged infringers face proceedings only in the courts, whereas importers may face proceedings both in the courts and the ITC.

In 1989, a GATT panel found that Section 337 violated GATT obligations. The Uruguay Round implementing legislation has removed some of the inconsistencies with new WTO-TRIPs obligations, but Section 337 complaints are still being brought against Canadian companies, which thereby face additional procedural burdens in defending against allegations of IP infringements. The Canadian government remains concerned and will continue to monitor closely specific cases, including potential international trade disputes on the matter, in order to determine what steps might

be taken to ensure that Canadians are treated in accordance with U.S. international trade obligations. At the time this report went to print, Canada had joined WTO consultations between the EU and the United States, which may or may not eventually lead to a dispute settlement panel.

Trade Remedies

Canadian officials continue to monitor developments in the United States pertaining to trade policy to ensure that any new rules, and the implementation of existing ones, conform with U.S. international trade obligations. Canada will continue to make known its opposition to legislation such as the 1999 Steel Quota Bill, which would have capped steel imports at their pre-1998 level and made changes to U.S. trade legislation. In the regulatory field, Canada submitted comments on proposals by the U.S. Department of Commerce regarding the conduct of anti-dumping and countervailing duty investigations. Most of those submissions were made in response to proposed regulations regarding the conduct of sunset reviews of the 15 anti-dumping and countervailing duty orders in place on Canadian products. Of these orders, seven have been rescinded (steel jacks, racing plates, elemental sulphur, red raspberries, potash, sugar and syrup, live swine). Of the remaining eight orders, two have been maintained (iron construction castings, steel rails) and six are still under review (brass sheet/strip, colour picture tubes, oil country tubular goods, magnesium, steel plate, corrosion-resistant steel). Finally, Canadian officials assisted Canadian producers of steel, magnesium, brass, sulphur, cattle, live swine and wheat gluten by offering advice and making representations on specific aspects of trade remedy investigations conducted by the United States.

Trade Remedy Investigations

In 1999, anti-dumping and countervailing duty investigations were conducted on imports of three separate products from Canada: stainless steel plate (dumping), stainless-steel wire (dumping) and live cattle (dumping and countervail). Of these, only the investigation regarding stainless steel plate from Canada resulted in the application of additional duties. With respect to live cattle, a review of the anti-dumping injury finding was sought by the U.S. party in late 1999. The Canadian party requested that this review be conducted by a NAFTA panel.