

secure because of a narrowing of U.S.'s right to use "national security" reasons to restrict energy imports from Canada. In addition the Come-By-Chance refinery will benefit from the removal of U.S. tariffs, customs user fees and the removal of the differential superfund levy imposed on imported oil and gas.

The FTA provides for the removal of one of the three price tests used by the National Energy Board to determine whether and when to allow for the export of electricity. The test which will be removed required that the selling price of exported electricity not be materially different than the least cost alternative supply in the U.S. In the future, it will be up to the seller to negotiate the best price for its sales. The FTA has not limited the National Energy Board's ability to apply the other two price tests which require that the price recover social costs and that neighbouring provinces must be offered the electricity at the same price and same conditions.

Services

The agreement covers government regulation of trade in services. Existing measures will remain in place, while future measures must comply with agreed upon principles, the most important of which is not to discriminate against service providers from the other country. Existing measures that are grandfathered could be subject to further negotiations to liberalize trade. The local industry servicing the off-shore oil and gas industry will be assured of equal treatment in the U.S. Important Newfoundland service sectors such as those in the cultural area and those providing health and education services are not covered by the agreement.

Temporary Access

Improvements in the rules governing temporary access for Newfoundland business people to the U.S. will assist all Canadian-based business, but particularly the efforts of small and medium-sized businesses to market and service their products in the U.S. from a Canadian base.

Some Bottom Lines

There are some things that the FTA has not done. It has not limited in any way Canadian social or cultural policies and it has not reduced in any way Canada's ability to provide financial assistance for regional development. It has not given additional rights to the U.S. to harvest fish in Canadian waters, to undertake over-the-side sales, or for fishing vessels to land Canadian fish directly in U.S. ports. It has not removed the National Energy Board's rights to examine "security of supply," to require export licences for electricity, and to require electricity