

American approach to both the regulatory and trade aspects of the current BSE challenges.

- Explore possibilities for greater Canada-U.S. regulatory cooperation.
- Ensure that the United States respects its WTO domestic support commitments in implementing the Farm Act and increase awareness in the United States of the disruption that its country-of-origin labelling provisions will cause to Canada-U.S. agricultural trade.
- Continue implementing the Canada-U.S. Smart Border Action Plan to build a secure and efficient border that is open for business but closed to terrorists.
- Continue to monitor changes to U.S. electricity regulations and/or energy legislation to ensure that any reliability standards in the electricity sector are developed jointly by Canadian and U.S. authorities.
- Continue to increase awareness in the United States that discriminatory minimum renewable energy provisions at the state level run counter to our shared energy security and environmental objectives.
- Continue to work with U.S. Immigration, Canadian business and within the NAFTA Temporary Entry Working Group to further facilitate the cross-border movement of business people.
- Continue to press U.S. governments to further open up their procurement markets to Canadian suppliers.
- Continue to press the U.S. Customs and Border Protection Bureau and the U.S. Food and Drug Administration to adopt a more consistent approach in developing and implementing regulations for prior notice of shipments in order to avoid unnecessary disruption to trade.
- Pursue the removal of U.S. duties on Canadian wheat.
- Continue to press various U.S. states to ensure that Canadian firms are taxed in a fair and consistent manner in accordance with international taxation norms.
- Continue to oppose the extraterritorial application of U.S. laws and regulations.

Canada's Advocacy in the United States

The Government of Canada announced a program in May 2002 to intensify Canada's trade advocacy efforts in the United States. Funds from this program have been used to support the advocacy efforts of the Department's network of diplomatic missions in the United States, including organization of and participation in a wide variety of activities and events (e.g., congressional tours of Canada, pavilions at U.S. trade shows, symposia, and other efforts designed to raise awareness of key government, business and media contacts). The Department has also directed the funds to help support initiatives conducted by partners (including provincial and territorial governments, municipalities, parliamentarians, industry, academia and unions), as part of the government's ongoing strategy of using all available channels of influence to advance Canadian positions on key trade issues in the United States.

- Continue to extend Canada's network of representation in the United States for greater strategic engagement on investment and trade issues.
- Continue to monitor closely and respond to key measures that may distort trade and investment decisions in the North American market.

IMPROVING ACCESS FOR TRADE IN GOODS

Softwood Lumber

Following the expiry of the Canada-U.S. Softwood Lumber Agreement on March 31, 2001, the U.S. Department of Commerce (DOC) initiated countervailing and anti-dumping investigations of certain softwood lumber products from Canada. On May 22, 2002, following these investigations, the