

for certain procurement (NAFTA Chapter 10 and WTO Agreement on Government Procurement).

6. *Do Canada's trade obligations cover bulk water?*

No trade obligation affects Canada's ability to regulate water as a natural resource. Water in its natural state is a natural resource and is not considered a "good" for the purposes of trade agreements. Only when water is removed from its natural state does it become a good potentially subject to trade disciplines, as in the case, for example, of bottled water for the commercial market.

7. *Do GATS or NAFTA require Canada to allow foreign businesses to provide water distribution services?*

Canada's ability to deliver drinking water to its citizens by municipal, regional or provincial governments is not impaired under our trade agreements.

This includes the right of these governments to deliver water through the procurement of water distribution services from private-sector firms. Canada has made no commitments with respect to water collection, purification and distribution services or the setting of water-quality standards and has no plans to do so in the future.

