

such any substantial ownership or investment in a U.S. company by a Canadian will trigger the requirement for a Part 375 permit.

To our knowledge there is no U.S. law preventing a Canadian from investing in a U.S. specialty air services company or preventing a Canadian operator from establishing an operational base of a temporary nature while providing a service in the U.S. For safety reasons, the establishment of such a base may sometimes be desirable. The operator would be required to obtain a Part 375 permit. Now that the NAFTA is in force, the permit process will be simplified (see above).

b) Immigration

Specialty air service personnel that do not qualify for temporary entry privileges contained in the NAFTA (see 2(d) above) should contact relevant U.S. immigration authorities at U.S. consulates in major centres across Canada to determine entry requirements (see Attachment "G").

c) Customs

U.S. Customs classifies certain equipment as "tools of the trade" (see Attachment "E") and permits such equipment to enter the United States duty free on a temporary basis (one year or less, although this period may be extended) so long as the equipment is imported by a non-resident. In compliance with its NAFTA obligation, discussed in 2(d)(ii) above, the U.S. permits duty free entry of equipment of individuals that qualify as professionals according to Annex 1603.D.1 (see attachment "C"). However, there is other equipment considered to be "tools of the trade" and is also granted such duty free privileges. Please contact U.S. Customs for details (see Attachment "G")

An individual claiming duty free status for his/her equipment upon entry into the U.S. must provide the following:

- 1) an entry document that describes the item and the purpose of its importation and includes attestation that the good is being imported by a non-resident; and
- 2) posting of a bond for non-originating goods refundable when equipment is exported from the U.S.

Upon departure, an additional form will need to be completed to demonstrate that the item has been exported from the United States. Many Canadian services companies entering the U.S. find that the services of a customs broker are very useful in ensuring that these procedures are completed accurately and quickly.