

INTERNAL TRADE SECRETARIAT  
1999-2000 ANNUAL REPORT

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THE  
AGREEMENT  
ON  
INTERNAL  
TRADE

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April 1999  
to  
March 2000

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# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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August 2001

## Transmittal Letter to the Committee on Internal Trade

I am pleased to submit to you the Internal Trade Secretariat's Annual Report for the Agreement on Internal Trade for the period April 1, 1999 to March 31, 2000.

Last year's annual report indicated that the Secretariat's procedures for the preparation of these reports had been revised to enable them to be produced in a more timely manner. The next annual report, for 2000-2001, will be published in October 2001. At that time, the Secretariat will have achieved its goal of "catching up" with the publication of its annual reports. Thereafter, the Secretariat will publish its annual report by the August immediately following the reporting year.

As a reminder, the current state of progress in the implementation of the AIT, which is updated every four months, can be found in the "Progress to Date" section of the Secretariat's web site found at the following address: [www.intrasec.mb.ca](http://www.intrasec.mb.ca).

The Parties continue to concentrate their efforts on completing the obligations that remain outstanding under the AIT. However, this reporting period also sees the culmination of two important initiatives, namely:

- 1) the finalization of plans for a major national public consultation process to take place in 2000/2001; and
- 2) the preparation for the consideration of the Committee on Internal Trade of a report on the future of the AIT which confirms the priority given to the completion of the remaining outstanding obligations, addresses the need to review the reporting requirements as well as the exceptions, exclusions and carve-outs in the AIT, and calls for practical and pragmatic initiatives for improving internal trade in Canada.

During this reporting period, on July 1, 1999, the MASH Annex came into force in all provinces and territories with the exception of British Columbia and the Yukon. This Annex sets out the procurement provisions applicable to the MASH sector (i.e. municipalities, municipal organizations, school boards, and publicly-funded academic, health and social service entities).

With the coming into force of the MASH Annex and with the start of work on an internet "gateway" site which, when operational, will list Canadian public sector web sites that publish procurement opportunities, the goal of equal access by Canadian suppliers to all public procurement opportunities comes closer to achievement.

The current reporting period comes to a close as preparations are being finalized for a meeting of the CIT in April 2000, the first meeting of that Committee since February 1998.

André Dimitrijevic  
Executive Director  
Internal Trade Secretariat

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## Ministers of the Committee on Internal Trade<sup>1</sup>

Brian Tobin (federal co-chair) Minister of Industry Canada	Halvar C. Jonson (provincial co-chair) Minister of International & Intergovernmental Relations Alberta
Peter Mesheau (provincial vice co-chair) Minister of Investment and Exports New Brunswick	Beaton Tulk Minister of Industry, Trade and Rural Development Newfoundland & Labrador
Gordon Balsler Minister of Economic Development Nova Scotia	Michael Currie Minister of Development & Technology Prince Edward Island
Gilles Baril Ministre d'État aux Régions, ministre des Régions, ministre de l'Industrie et du Commerce et ministre responsable du Loisir et du Sport (Minister of State to the Regions, Minister for the Regions, Minister of Industry and Trade, and Minister responsible for Recreation and Sport) Québec	Robert Runciman Minister of Economic Development & Trade Ontario
MaryAnn Mihychuk Minister of Industry, Trade & Mines Manitoba	Chris Axworthy Minister of Intergovernmental Affairs Saskatchewan
Rick Thorpe Minister of Competition, Science and Enterprise British Columbia	Joseph L. Handley Minister of Resources, Wildlife & Economic Development Northwest Territories
Scott Kent Minister for Economic Development Yukon	

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<sup>1</sup>

As of August 2001

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## 1) Highlights of the Year in Review

In 1999/2000, the Parties to the Agreement on Internal Trade (AIT) continued to engage in negotiations mandated by the Agreement and necessary for its implementation and for concluding the outstanding obligations in the Agreement.

In terms of the specific activities undertaken, the highlights for this year were:

- the coming into force on July 1, 1999 of Annex 502.4 which sets out the procurement provisions that apply to the MASH sector (i.e. municipalities, municipal organizations, school boards and publicly-funded academic, health and social service entities);
- continuing negotiations to reduce the number of government entities excluded from the procurement rules;
- investigating the feasibility of developing a search engine for public procurement opportunities;
- finalizing guidelines on the content and format of Annual Reports on Incentives;
- continuing negotiations to clarify the Code of Conduct on Incentives;
- developing a detailed plan to support the achievement of full compliance with the labour mobility obligations of Chapter Seven (Note: in the Social Union Agreement of February 4, 1999, First Ministers, except for the Premier of Quebec, agreed that entities subject to Chapter 7 must be in full compliance with its provisions by July 1, 2001);
- approving an agenda for further cooperation on consumer issues that goes beyond the AIT requirements;
- continuing work with the Canadian Standards Association to develop a Canadian quality assurance standard for the procurement of computers by governments;
- continuing negotiations to resolve the outstanding issue in the Energy Chapter concerning the nature and extent of carve-outs for regional economic development programs;
- developing a major public consultations project to commence in the fall of 2000;
- standardizing the type of procurement information reported by governments through the use of a common reporting template;

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- streamlining the existing Chapter 17 dispute resolution process following a review of the first dispute panel process;
- carrying out a series of consultative meetings with business groups, labour associations and non-governmental organizations in New Brunswick and in British Columbia;
- initiating the development of a “gateway” internet site which will list and provide links to Canadian public sector web sites where public tenders may be found;
- completing a report to the CIT. on considerations for the future of the AIT; and
- carrying out the necessary preparations to address potential Y2K issues.

In 1999/2000, 24 disputes were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 14 had been addressed by year end, 2 are inactive and 8 are pending. Since the coming into force of the AIT in July 1995, there has been a total of 89 disputes filed to date of which 77 have been addressed. Further, the average length of time to dispose of a dispute has been steadily dropping from 5.3 months in 1995/96 to 3.4 months in the current reporting period with an average of 4.3 months over the period since the coming into force of the AIT.

The following sections of this report provide details about the above and other activities undertaken under the AIT during the period 1999/2000.



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## 2) Overview of the Agreement on Internal Trade

### A) Contents of the Agreement

The Agreement on Internal Trade (AIT) is an agreement among the federal, provincial and territorial governments to reduce and eliminate barriers to the free movement of people, goods, services and investment within Canada.

The AIT provides:

- C **general rules** which prevent governments from erecting new trade barriers and which require the reduction of existing barriers in areas covered under the Agreement;
- C **specific obligations governing the conduct of governments in key economic sectors** such as government purchasing, investment and labour mobility;
- C for the **streamlining and harmonization of regulations and standards** in areas such as transportation and consumer protection;
- C a **formal dispute resolution mechanism** that is accessible to governments, as well as individuals and businesses, under certain conditions; and
- C **commitments to further liberalize trade** through continuing negotiations and specified work programs.

### B) Guiding Principles

The AIT is grounded on six general rules established to prevent governments from erecting new trade barriers and to reduce existing barriers:

- **Non-Discrimination**  
Establishing equal treatment for Canadian persons, goods, services and investments.
- **Right of Entry and Exit**  
Prohibiting measures that restrict the movement of persons, goods, services or investments across provincial or territorial boundaries.
- **No Obstacles**  
Ensuring that federal/provincial/territorial government policies and practices do not create or sustain obstacles to trade.

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- **Legitimate Objectives**  
Ensuring that federal/provincial/territorial non-trade objectives which may cause some deviation from the above guidelines have a minimal adverse impact on interprovincial trade.
- **Reconciliation**  
Providing the basis for eliminating trade barriers caused by differences in standards and regulations across Canada.
- **Transparency**  
Ensuring information is fully accessible to interested businesses, individuals and governments.

### C) Sectoral Chapters

The AIT focuses on reducing trade barriers within eleven chapters:

- **Procurement**  
Eliminating local price preferences, biased technical specifications, unfair registration requirements and other discriminatory practices for non-resident suppliers in order to ensure equal access to procurement for all interested Canadian suppliers. The provisions for extending this chapter to the MASH sector including municipalities, municipal organisations, school boards, and publicly-funded academic, health and social services have recently been negotiated.
- **Investment**  
Preventing discriminatory treatment of Canadian business according to head-office location, limiting local residency requirements, prohibiting local content and purchasing conditions and standardizing corporate registration and reporting requirements in order to ensure Canadian firms are free to make business decisions based on market conditions.
- **Labour Mobility**  
Eliminating the current barriers of residency, certification and professional standards within individual provinces in order to enable qualified workers - such as accountants, lawyers, construction and tradespeople - to practice their occupation anywhere in Canada.
- **Consumer-Related Measures and Standards**  
Reconciling the varying consumer protection requirements of different provinces and territories which act as non-tariff barriers in order to allow Canadian firms to capitalize on economies of scale by servicing larger markets with the same products.

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- **Agricultural and Food Products**  
Working to remove technical barriers between provinces, such as differing product and grade standards, and plant and animal health regulations. Reviewing supply management systems for dairy, poultry and eggs as well as western grain transportation and agricultural safety net programs and addressing the internal market aspects of these programs.
- **Alcoholic Beverages**  
Prohibiting discriminatory practices by liquor control boards and retail outlets of the provinces and territories in areas such as product listing, pricing, distribution and merchandising.
- **Natural Resources Processing**  
Prohibiting the introduction of new barriers relating to the processing of forestry, fisheries and mineral resource products.
- **Energy**  
Harmonizing the treatment of all forms of energy. (The Chapter is still under negotiation).
- **Communications**  
Ensuring equal access to and use of public telecommunications networks and public telecommunications services.
- **Transportation**  
Harmonizing the regulations applicable to commercial vehicles such as safety standards, weights and dimension rules, bills of lading, tax administration, and operating authority requirements.
- **Environmental Protection**  
Ensuring that federal, provincial or territorial environmental protection measures do not become non-tariff trade barriers.

### D) **Dispute Resolution**

One of the key concepts of the Agreement on Internal Trade is to maximize cooperation and minimize conflict. Therefore progressive stages of dispute resolution procedures have been put in place to address the differences that will arise among governments, as well as those between governments and individuals.

#### i) **Sectoral dispute avoidance and resolution processes**

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With the exception of Chapter 13, each chapter has its own dispute settlement process. This can be initiated by an individual outlining the problem in writing to the Internal Trade Representative of the province or territory in which he or she resides or by a government (federal, provincial or territorial) initiating consultations where that government has concerns about the practices of another government. The governments involved will consult and try to find an acceptable solution. If this process is exhausted without success, the issue moves to the **formal dispute resolution process** under Chapter 17 of the Agreement.

### ii) **Formal dispute resolution procedures under Chapter 17**

Only a government may initiate a **government-to-government** dispute resolution process.

For an individual or business, this procedure can be approached in two ways:

- An individual or business may request that their government pursue the **government-to-government** dispute resolution process. This process may lead to a request for the assistance of the Committee on Internal Trade and a dispute resolution panel of experts.
- If the government chooses not to step in, an individual or business may proceed under the **private party-to-government** dispute resolution process and request consultations. At this stage the complaint will be assessed by an independent screener who will determine the merit of the request. If a complaint has merit, a panel is formed.

Assuming the panel stage of the dispute process is reached, the panel will hear the dispute and will produce its report within 45 days from the end of the hearings. If the government complained against does not act to implement the panel's recommendation within 60 days, the report is made public. If the matter has not been resolved in a year, the government that made the complaint may take retaliatory action provided it is in the same sector as the measures found to be inconsistent with the Agreement and is of equivalent economic impact.

## E) **The Organizational Structure of the Internal Trade Agreement**

### i) **The Committee on Internal Trade**

The Agreement establishes a Committee of Ministers to oversee its implementation and operations. During the period covered by this report, the Committee was co-chaired by Canada and Ontario. The Agreement calls for an annual meeting at the call of the chairs.

The Committee on Internal Trade normally meets as needed to deal with major issues and review progress with the Agreement. The Committee has met four times

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since the Agreement came into effect and the end of this reporting period (in November, 1995; March, 1996; June 1996; and February 1998). In addition, conference calls have been arranged, as necessary, to deal with complaints launched under the dispute resolution procedures of the Agreement.

### ii) **Internal Trade Representatives**

Each government has appointed Internal Trade Representatives. This committee of officials is responsible for overseeing the operation of the Agreement and the work program set out in the Agreement. Internal Trade Representatives meet as required, usually about six times a year. A list of Internal Trade Representatives is included in Section 4 of this report entitled **For More Information**.

### iii) **Other Committees Under the Agreement**

Several Chapters of the Agreement create committees of officials to carry out specific responsibilities outlined in the Chapter, or assign responsibilities to existing committees of officials or to Ministerial level forums. For example, the Labour Mobility Chapter assigns overall responsibility for implementation of the Chapter to the Forum of Labour Market Ministers.

Appendix A lists the various committees with responsibilities related to the Agreement.

### iv) **The Internal Trade Secretariat**

The Internal Trade Secretariat is responsible to the Committee on Internal Trade for activities related to the administration and operation of the Agreement. The Secretariat supports the Internal Trade Representatives and the various committees under the Agreement by coordinating the work program to implement and extend the Agreement and by managing the dispute resolution process. In addition, it provides information about the Agreement to the public.

Appendix B provides information on the staff of the Secretariat. Appendix E contains the audited Financial Statements for the Secretariat as of March 31, 2000.

## F) **Obligations under the Agreement**

The Internal Trade Secretariat keeps track of progress in implementing the Agreement on Internal Trade. In this regard, the Secretariat has prepared the two charts found in Appendix D. The first chart identifies outstanding obligations that are the responsibility of the Parties to the Agreement as a whole and groups the obligations by chapter and category. The second chart lists outstanding obligations that are the responsibility of individual Parties and that are not yet discharged.

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## 3) Chapter by Chapter Progress

### Chapters One to Four

Chapters 1 to 4 of the Agreement on Internal Trade deal with *Operating Principles, General Definitions, Constitutional Authorities and General Rules*.

When the Agreement came into effect, these chapters set out the objectives, extent of the obligations and general rules of the Agreement. Since that time the Agreement has operated and continues to operate under these principles. There are no outstanding obligations in these four chapters.

### Procurement (Chapter Five)

**When the Agreement came into effect, it:**

- required that government procurement contracts, over specified values, be equally accessible to all suppliers across Canada and that any goods, services and suppliers of other provinces or territories receive treatment no less favourable than the best treatment of local goods, services and suppliers;
- required that calls for tenders be equally accessible to all Canadian suppliers, and that an electronic tendering system for contracts be developed;
- prohibited preferences for local content or materials;
- introduced bid protest procedures by which suppliers could pursue complaints relative to provincial and federal procurements;
- provided for the extension of coverage of the Agreement to municipalities, municipal organizations, school boards and publicly-funded academic, health and social service entities (MASH) by June 30, 1995; and
- required that excluded entities and services be listed.

**Prior to this reporting period, the Parties had:**

- concluded the negotiations of the procurement provisions for the MASH sector as an Annex to the AIT;
- pursued negotiations to reduce the number of services excluded from the Agreement;

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- pursued negotiations to reduce the number of government entities excluded from the Agreement and drafted text for an annex covering government entities of a commercial or industrial nature;
- contracted with a service provider for the development of a common electronic tendering system, completed the development and implementation of the system, and extended the participation of governments in it;
- established a working group to review reporting requirements;

### **During this reporting period, the Parties have:**

- implemented on July 1, 1999 a new annex which sets out provisions governing procurement by the MASH sector and continued efforts to educate and inform MASH entities about these new provisions;
- continued negotiations to include government entities of a commercial or industrial nature and refined the list of entities that would be covered by the proposed new annex;
- identified options for the treatment of electrical utilities;
- continued to examine options for facilitating the access of Canadian suppliers to MASH sector tenders including the feasibility of putting in place a “single window” to MASH sector procurements;
- agreed to the development of a “gateway” web site that would list the web sites where public sector procurement opportunities might be published;
- reviewed the reporting requirements under the Chapter and adopted a reporting template in order to bring greater completeness and consistency to the reports provided by Parties.

### **In the year ahead the Parties intend to:**

- conclude the negotiations to include government entities of a commercial or industrial nature by approving the text of an annex covering such entities, defining the specific entities that would be covered by such annex and defining the treatment of entities that remain excluded;
- determine the means of implementation of the ministerial decision concerning the treatment of electrical utilities;
- put in place a “gateway” Web site to public sector tender opportunities;

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- continue to investigate the concept of a “single window” to public sector tender opportunities in the context of the eventual expiration of the contracts that many Parties hold with a national electronic tendering service provider;
- continue to review the reporting requirements under the Chapter with a view to simplifying and improving the quality of the reports submitted.

### **Investment (Chapter Six)**

#### **When the Agreement came into effect, it:**

- C prohibited discriminatory treatment of Canadian investors and businesses based on residency, place of incorporation or head office location;
- C prohibited local presence and residency requirements as a condition of carrying on business or making an investment other than where those requirements are necessary to meet a legitimate objective; and, required that any remaining requirements be listed in an annex by December 31, 1995 and examined by December 31, 1996 as to their appropriate retention, removal or replacement;
- C required the preparation of a plan by July 15, 1995 to reconcile extra-provincial corporate registration and reporting requirements;
- C prohibited imposition of local content, purchasing and sourcing requirements on investors or businesses from other Parties; and
- C set restrictions on the use of incentives, including prohibiting the use of incentives to attract businesses from one Party to another (“job-poaching”); and, required the preparation of an annual report on incentives.

#### **Prior to this reporting period, the Parties had:**

- C completed a list of remaining local presence and residency requirements for inclusion in Annex 604.4 (Local Presence and Residency Requirements) and agreed to an ongoing review of the list in order to make recommendations to the Ministers as to their retention, removal or replacement;
- C completed an annex to the Agreement (Annex 606) aimed at reconciling extra-provincial corporate registration and reporting requirements; and initiated development of an electronic registration and reporting system that will facilitate implementation of the Annex;
- C completed the 1995\96 Annual Report on Incentives;



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- prepared draft guidelines on the format and content of future Annual Reports on Incentives; and,
- initiated negotiations on clarifications and improvements to the Code of Conduct on Incentives (Annex 608.3).

### **During this reporting period, the Parties have:**

- C continued development of the electronic extra-provincial corporate registration and reporting system;
- continued negotiations on clarifications and improvements to the Code of Conduct on Incentives (Annex 608.3).

### **In the year ahead the Parties intend to:**

- complete development and implementation of the electronic extra-provincial corporate registration and reporting system;
- continue negotiations to clarify and improve the Code of Conduct on Incentives; and
- finalize guidelines on the content and format of Annual Reports on Incentives and initiate completion of outstanding reports from previous years.

## **Labour Mobility (Chapter Seven)**

### **When the Agreement came into effect, it:**

- C eliminated residency requirements as an employment condition or as a condition of eligibility for licensing, certification or registration;
- C specified that rules governing licensing, certification or registration of workers from other Parties must relate principally to worker competence, that they be published and that they not result in unnecessary delays or burdensome costs for workers;
- C required Parties to mutually recognize the occupational qualifications required of workers from any other Party and established a process to harmonize occupational standards; and
- C made Parties responsible for seeking compliance with the obligations of the Chapter by other levels of government and by governmental and non-governmental bodies that have been delegated authority by law for matters covered by the Chapter, and for taking measures to ensure such compliance if it is not achieved voluntarily “within a reasonable period of time”.

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### **Prior to this reporting period, the Parties had:**

- C amended non-conforming measures such as licensing or residency requirements as a condition of employment;
- taken significant measures to seek compliance with the Chapter, including:
  - the preparation of detailed guidelines on compliance requirements which were mailed to over 400 regulatory bodies,
  - participation in hundreds of meetings with affected bodies to explain their obligations,
  - supporting the provision of funding to regulatory bodies through a Human Resources Development Canada program to assist them in their compliance efforts,
  - participation in over 40 regulators' national consortium meetings and preparing a document entitled *Guidelines for Regulatory Bodies to consider in developing a Mutual Recognition Agreement*,
  - completed a survey of regulatory bodies to determine their progress on meeting the obligations of the Chapter.
- C established a Labour Market Information Working Group to develop a strategy for collecting and disseminating labour market information to help workers who are considering moving to another jurisdiction.

### **During this reporting period, the Parties have:**

- C developed a detailed plan to support achievement of full compliance with the obligations of the Chapter by July 1, 2001 as agreed by all First Ministers (except Quebec) in February, 1999;
- C identified legislation governing regulatory bodies that will need to be changed and a work plan for introducing amendments to ensure the July 1, 2001 deadline is met;
- continued the work of the Labour Market Information Working Group including further development of the labour market information Web site to provide information on the licensing requirements of regulatory bodies; and
- C developed a labour mobility communications strategy.

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## Consumer-Related Measures and Standards (Chapter Eight)

### **When the Agreement came into effect, it:**

- C prohibited the use of residency requirements as a condition for licensing, registration or certification as a supplier;
- C required that discriminatory licensing, registration and certification fees applied to suppliers from another Party be eliminated by July 1, 1996;
- C established a schedule for harmonizing specific consumer-related measures:
  - C direct selling contracts by July 1, 1995; to be adopted by July 1, 1996,
  - C upholstered and stuffed article measures by January 1, 1996, and
  - C cost of credit disclosure legislation by January 1, 1996 to be adopted by January 1, 1997;
- C required a report to Consumer Ministers by July 1, 1997 on possible additional agreements on consumer-related measures and standards, such as:
  - C reciprocal investigative powers,
  - C enforcement of revocation rights,
  - C financial compensation for consumers, and
  - C enforcement of judgements.

### **Prior to this reporting period, the Parties had:**

- eliminated all differential fees applied to suppliers from other Parties;
- reached agreement on standard contract content for direct sales across Canada and began the process of amending legislation to implement the agreement;
- resolved outstanding issues with respect to differences and duplication of regulations of upholstered and stuffed articles;
- agreed on standard cost of credit disclosure requirements and prepared a drafting template for harmonized cost of credit legislation;
- C drafted a dispute resolution process for the Chapter;

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- completed a report on possible additional agreements on consumer-related measures and standards and agreed to develop an agreement on cooperative enforcement; and
- C developed detailed implementation strategies for a national consumer awareness campaign;
- completed negotiation of a dispute resolution process as required by the Chapter;
- prepared a draft agenda for future cooperation on consumer issues;
- implemented a national consumer awareness campaign including:
  - a focus on fraud in the telemarketing and the loan brokerage businesses,
  - the preparation, publication and distribution of a consumer handbook;
- finalized negotiation of a Cooperative Enforcement Agreement.

### **During this reporting period, the Parties have:**

- continued the harmonization of legislation respecting direct sales and cost of credit disclosure;
- finalized and initiated work to implement an agenda for future cooperative action on consumer issues including:
  - Electronic Commerce,
  - Consumer Redress, and
  - Vulnerable Consumers and Credit Markets.

### **In the year ahead the Parties intend to:**

- complete the harmonization of legislation respecting direct sales and cost of credit disclosure; and
- continue work to implement the cooperative action agenda.

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## Agricultural and Food Goods (Chapter Nine)

### **When the Agreement came into effect, it:**

- C applied the general rules governing non-discrimination, no restrictions on entry and exit and no obstacles to trade to measures that constitute technical barriers to trade in agricultural and food goods;
- C committed the Parties to reducing or eliminating measures that constitute obstacles to internal trade in agricultural and food goods;
- C prohibited further restrictions on internal trade, other than sanitary and phytosanitary measures;
- C committed Parties to consider internal trade impacts when amending or adopting sanitary or phytosanitary measures;
- C established a consultation process for the Parties; and
- C established procedures for ensuring transparency when measures are adopted or amended.

### **Prior to this reporting period, the Parties had:**

- C engaged in discussions on reducing or eliminating technical barriers to trade;
- C identified and discussed technical barriers to trade with policy implications;
- C engaged in stakeholder consultations on broadening the scope and coverage of the Chapter;
- C brought under the coverage of the Chapter the following technical barriers to trade that have policy implications:
  - C shipment of horticultural products in bulk containers,
  - C absence of a Canada No. 1 Small potato grade,
  - C margarine colouring restrictions and other margarine standards,
  - C standards regarding dairy blends and imitation dairy products, and
  - C fluid milk standards and distribution.
- C identified a process for reviewing the scope and coverage of the Chapter; and
- C undertook a national survey on regulatory measures in place for imitation dairy product marketing.

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### **During this reporting period, the Parties have:**

- C continued to undertake a national survey on regulatory measures in place for imitation dairy product marketing;
- C reviewed the scope and coverage of the Chapter to broaden coverage and further liberalize internal trade in agricultural and food goods; and
- C continued to reduce or eliminate technical barriers to trade and technical barriers to trade with policy implications.

### **In the year ahead, the Parties intend to:**

- C continue to reduce or eliminate technical barriers to trade and technical barriers to trade with policy implications, and
- C monitor the implementation and to continue to review the scope and coverage of the Chapter to broaden coverage and further liberalize internal trade in agricultural and food goods.

## **Alcoholic Beverages (Chapter Ten)**

### **When the Agreement came into effect, it:**

- C prohibited, with certain exceptions, discriminatory treatment by a Party in the listing, pricing, access and distribution of alcoholic beverages from other Parties;
- C prohibited obstacles to trade through administrative procedures, labelling and packaging requirements, oenological measures and advertising regulations;
- C limited fees and charges to the cost of the necessary service;
- C committed Parties to reconciling standards-related measures;
- C established a consultation process for the Parties; and
- C established procedures for ensuring transparency when measures are adopted or amended.

### **Prior to this reporting period, the Parties had:**

- C reviewed and reconciled the definition of "wine and wine products" with the Canadian Wine Standards;

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- C reviewed Ontario's Canadian grape content requirements which Ontario has committed to removing by 1999;
- C reviewed Nova Scotia's practice (since eliminated) on differential floor pricing for beer and beer products;
- C reviewed the reservation of the right for New Brunswick and Quebec to apply differential costs of service to beer and beer products from other Parties and facilitated initial discussions between Ontario, Quebec and New Brunswick on removing this reservation;
- C agreed to eliminate reservations on mark-up differentials for wine;
- C agreed to eliminate Nova Scotia's differential floor pricing for beer and beer products;
- C agreed that Ontario will open its borders to out-of-province wine; and
- C started the development of a National Wine Standard.

### **During this reporting period, the Parties have:**

- C continued the development of a National Wine Standard.

### **In the year ahead, the Parties intend to:**

- C complete the development of the National Wine Standard and address how to implement the standard in a consistent manner.

## **Natural Resources Processing (Chapter Eleven)**

### **When the Agreement came into effect, it:**

- C prohibited new discriminatory measures related to the production and sale of processed forestry, fisheries and mineral products and prohibited the creation of new barriers to trade in these areas; and
- C committed governments to reconciling regulations and standards that have an impact on the trade in the processing of natural resources.

### **Prior to this reporting period, the Parties had:**

- C refrained from introducing new barriers to trade in the processing of natural resources.

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## **During this reporting period, the Parties have:**

- C undertaken a review of the Chapter; and
- C not introduced any new barriers to trade in the processing of natural resources.

## **In the year ahead the Parties intend to:**

- C undertake the annual review of the Chapter to assess whether it has met its objectives.

## **Energy (Chapter Twelve)**

### **When the Agreement came into effect, it:**

- C committed the Parties to negotiate an Energy Chapter in accordance with Article 1810 (Future Negotiations).

### **Prior to this reporting period, the Parties had:**

- C completed negotiations on a draft Chapter, with one issue still outstanding.

### **During this reporting period, the Parties have:**

- C continued to pursue negotiations to resolve the outstanding issue concerning the nature and extent of carve-outs for regional economic development programs.

### **In the year ahead the Parties intend to:**

- C complete negotiations and adopt the Energy Chapter.

## **Communications (Chapter Thirteen)**

### **When the Agreement came into effect, it:**

- C prohibited government-established or designated monopolies providing communication services or telecommunication facilities from using their monopoly position to engage in anticompetitive conduct in other markets; and
- C established a consultation process for the Parties.



# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## **During this reporting period, the Parties have:**

- C removed the exemption previously accorded Saskatchewan telecommunications carriers under Article 1305: Saskatchewan Provision thereby eliminating the differences between the policies and measures of the Province of Saskatchewan and the policies and measures of the Federal Government.

## **Transportation (Chapter Fourteen)**

### **When the Agreement came into effect, it:**

- C prohibited, with certain exceptions, discriminatory treatment by a Party toward carriers or trade in transportation services from other Parties;
- C prohibited obstacles to trade in transportation services and restrictions on the movement of transportation services across provincial boundaries;
- C committed Parties to reconciling regulatory and standards-related measures;
- C committed Parties to phasing out measures that do not conform to the Agreement; and
- C established a consultation process for the Parties.

### **Prior to this reporting period, the Parties had:**

- C revised standard motor carrier safety rules;
- C completed a regulatory review;
- C liberalized trade in urban bus procurement;
- C deleted the obligation to extend the Chapter to local governments;
- C eliminated extraprovincial truck carrier operating authorities;
- C implemented changes to national standards to bring about greater compatibility of standards on vehicle weights and dimensions and continued work to bring about greater regulatory compatibility;
- C developed an implementation plan on the future regulation of the intercity bus industry; and
- C reviewed exempt measures listed in Annex 1410.1.

# **INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT**

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## **During this reporting period, the Parties have:**

- C advanced work on developing more uniform standards on weights and dimensions;
- C made progress in improving the uniformity of requirements for travel under special permit authorities; and
- C advanced work on completing the National Safety Code.

## **In the year ahead the Parties intend to:**

- C develop more uniform standards on weights and dimensions;
- C start implementing the National Safety Code Standard 14 - Compliance Review Safety Rating;
- C review exempt measures listed in Annex 1410.1;
- C examine proposals on deregulating the intercity bus industry;
- C complete the phase-out of intra-provincial trucking regulation as listed in Annex 1411.

## **Environmental Protection (Chapter Fifteen)**

### **When the Agreement came into effect, it:**

- C committed Parties to taking environmental considerations into account when dealing with trade matters;
- C prohibited the waiving or derogation of environmental measures as an encouragement for the establishment, acquisition, expansion, retention or ongoing business of an enterprise within the territory of a Party;
- C confirmed the right of Parties to establish their own levels of environmental protection;
- C committed the Parties to harmonizing environmental measures;
- C committed Parties to phasing out measures that do not conform to the Agreement; and
- C established a consultation process for the Parties.

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## **Prior to this reporting period, the Parties had:**

- C established a list of other governmental and non-governmental bodies covered by the Chapter;
- C finalized a list of non-conforming measures;
- C ratified a Canada-wide Accord on Environmental Harmonization; and
- C published notifications of new or amended measures taken by member jurisdictions.

## **During this reporting period, the Parties have:**

- C continued to publish notifications of new or amended measures taken by member jurisdictions.

## **In the year ahead, the Parties intend to:**

- C continue efforts to harmonize environmental measures that may affect interprovincial mobility and trade.

## **Institutional Provisions (Chapter Sixteen)**

### **When the Agreement came into effect, it:**

- C required the creation of the Committee on Internal Trade, the Working Group on Adjustment and the Secretariat, specifying frequency of meetings, funding and other relevant requirements.

### **Prior to this reporting period, the Parties had:**

- C established the Internal Trade Secretariat, funded by all Parties, and appointed a Secretary;
- C established the Committee on Internal Trade which met four times;
- C prepared the Annual Reports for 1995-96, 1996-97 and 1997-98; and
- C established a Working Group on Adjustment comprised of Internal Trade Representatives.

### **During this reporting period, the Parties have:**

- C held four meetings and two conference calls of the Internal Trade Representatives; and

# **INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT**

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- C prepared the 1998-99 Annual Report.

## **In the year ahead the Parties intend to:**

- C hold the annual meeting of the Committee on Internal Trade; and
- C prepare the 1999-2000 Annual Report.

## **Dispute Resolution Procedures (Chapter Seventeen)**

### **When the Agreement came into effect, it:**

- C established a four-stage procedure for Parties to pursue complaints against other Parties if the complaining Party is of the opinion that the other Party has adopted or is maintaining a measure that does not conform to the Agreement;
- C provided a mechanism by which a person of a Party may pursue a complaint against another Party by appealing to his home Party to initiate dispute resolution proceedings on the person's behalf; and
- C provided direct access for a person of a Party to dispute resolution proceedings in the event that the home Party does not initiate dispute resolution proceedings on that person's behalf.

### **Prior to this reporting period, the Parties had:**

- C initiated the compilation of a Roster of Panellists to be used for selecting members of a dispute resolution panel;
- C approved panel Rules of Procedure;
- C initiated the appointment of independent citizens to act as screeners in the event a person of a Party wishes to initiate dispute resolution procedures directly;
- C developed operational guidelines for Panels; and
- C established a Code of Conduct for panellists.

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## **During this reporting period, the Parties have:**

- C received 24 disputes that were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 14 had been addressed by year end, 2 are inactive and 8 are pending. Since the coming into force of the AIT in July 1995, there have been a total of 89 disputes filed to date of which 77 have been addressed. Further, the average length of time to dispose of a dispute has been steadily dropping from 5.3 months in 1995/96 to 3.4 months in the current reporting period with an average of 4.3 months over the period since the coming into force of the AIT.

## **In the year ahead the Parties intend to:**

- finalize the Roster of Panellists; and
- C complete the appointment of screeners from every Party.

## **Final Provisions (Chapter Eighteen)**

### **When the Agreement came into effect, it:**

- recognized the need for economic development programs but specified these measures were not to impair unduly the intent of the Agreement and not be more trade restrictive than necessary to achieve specific objectives;
- set out exempt areas such as aboriginal peoples, culture, national security, taxation and the financial sector;
- defined the relationship of the Agreement to international agreements; and
- specified future negotiations, including the Energy Chapter and a review of the coverage of the Agreement.

### **Prior to this reporting period, the Parties had:**

- requested that each Party prepare a written annual report on its programs relating to regional economic development; and
- agreed to review the process of annual reporting on programs relating to regional economic development to increase the usefulness of the reports.

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### **In the year ahead the Parties intend to:**

- review the process of annual reporting on programs relating to regional economic development to increase the usefulness of the reports;
- review the effectiveness of existing mechanisms for provincial consultation and participation in various international agreements; and
- review the scope and coverage of the Agreement with recommendations for new measures or new chapters.

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## 4) For More Information...

### A) Contact the Internal Trade Secretariat

The Internal Trade Secretariat,  
125 Garry Street, Suite 850  
Winnipeg MB R3C 3P2

Phone: (204) 987-8090  
Facsimile: (204) 942-8460  
E-mail: [info@intrasec.mb.ca](mailto:info@intrasec.mb.ca)  
Web site: [www.intrasec.mb.ca](http://www.intrasec.mb.ca)

### B) Contact an Internal Trade Representative<sup>2</sup>

Canada	Chris Charette Industry Canada 5th Floor East, Room 584C 235 Queen Street Ottawa, Ontario K1A 0H5	Tel: (613) 946-7318 Fax: (613) 954-8042 E-mail: <a href="mailto:charette.chris@ic.gc.ca">charette.chris@ic.gc.ca</a>
Newfoundland & Labrador	Tom Fleming Industry, Trade & Rural Development 4th Floor, West Block Confederation Building St. John's NF A1B 4J6	Tel: (709) 729-5859 Fax: (709) 729-4869 E-mail: <a href="mailto:tfleming@mail.gov.nf.ca">tfleming@mail.gov.nf.ca</a>
Nova Scotia	Greg Bent Economic Development 1800 Argyle St., Suite 520 Halifax NS B3J 2R7	Tel: (902) 424-8669 Fax: (902) 424-5739 E-mail: <a href="mailto:gbent@gov.ns.ca">gbent@gov.ns.ca</a>
New Brunswick	Harry Quinlan Investment and Exports P.O. Box 6000 Room 577, 670 King Street Fredericton NB E3B 5H1	Tel: (506) 444-5011 Fax: (506) 444-5299 E-mail: <a href="mailto:harry.quinlan@gnb.ca">harry.quinlan@gnb.ca</a>
Prince Edward Island	Henry Phillips Island Investment Development Inc. 75 Fitzroy Street Charlottetown PE C1A 1R6	Tel: (902) 368-4265 Fax: (902) 368-5886 E-mail: <a href="mailto:hPhillips@gov.pe.ca">hPhillips@gov.pe.ca</a>

## INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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Quebec	Daniel Albert Secrétariat aux Affaires intergouvernementales canadiennes (Canadian Intergovernmental Affairs Secretariat) 875, rue Grande-Allée est 2 <sup>e</sup> étage, Bureau 2.511 Quebec QC G1R 4Y8	Tel: (418) 644-8404 Fax: (418) 646-5420 E-mail: <a href="mailto:daniel.albert@cex.gouv.qc.ca">daniel.albert@cex.gouv.qc.ca</a> <a href="mailto:saic_gci@cex.gouv.qc.ca">saic_gci@cex.gouv.qc.ca</a>
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Manitoba	Alan Barber Industry, Trade & Mines 675 - 155 Carlton Street Winnipeg MB R3C 3H8	Tel: (204) 945-8714 Fax: (204) 945-1354 E-mail: <a href="mailto:Abarber@gov.mb.ca">Abarber@gov.mb.ca</a>
Saskatchewan	Robert Perrin Intergovernmental & Aboriginal Affairs 11th Floor 1919 Saskatchewan Drive Regina SK S4P 3V7	Tel: (306) 787-2171 Fax: (306) 787-8883 E-mail: <a href="mailto:rperrin@iaa.gov.sk.ca">rperrin@iaa.gov.sk.ca</a>
Alberta	Rudy Palovcik International and Intergovernmental Relations 12th Floor, Commerce Place 10155 -102 St NW. Edmonton AB T5J 4G8	Tel: (780) 422-1129 Fax: (780) 427-0699 E-mail: <a href="mailto:rudy.palovcik@gov.ab.ca">rudy.palovcik@gov.ab.ca</a>
British Columbia	Robert Musgrave Competition, Science and Enterprise P.O. Box 9327, Stn Prov Govt 4th Floor, 1810 Blanshard Street Victoria BC V8W 9N3	Tel: (250) 952-0711 Fax: (250) 952-0716 E-mail: <a href="mailto:robert.musgrave@gems7.gov.bc.ca">robert.musgrave@gems7.gov.bc.ca</a>
Northwest Territories	Terry Lancaster Resources, Wildlife & Economic Development P.O. Box 1320 Yellowknife NT X1A 2L9	Tel: (867) 873-7360 Fax: (867) 873-0101 E-mail: <a href="mailto:Terry_Lancaster@gov.nt.ca">Terry_Lancaster@gov.nt.ca</a>
Yukon	Meg Horn Economic Development Box 2703 Shopper's Plaza, 4th Floor 211 Main Street Whitehorse YT Y1A 2C6	Tel: (867) 667-5387 Fax: (867) 667-8601 E-mail: <a href="mailto:meg.horn@gov.yk.ca">meg.horn@gov.yk.ca</a>



# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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## Appendix A

### COMMITTEES AND WORKING GROUPS WITH RESPONSIBILITIES RELATED TO THE AGREEMENT ON INTERNAL TRADE

#### General

Committee on Internal Trade

- Internal Trade Representatives
- Working Group on Adjustment

#### Chapter Five: Procurement

Procurement Negotiating Table

- Working Group on Electronic Tendering
- Working Group on Reporting

#### Chapter Six: Investment

Working Group on Investment

#### Chapter Seven: Labour Mobility

Forum of Labour Market Ministers

- Labour Mobility Coordinating Group
- Labour Market Information Working Group
- Canadian Council of Directors of Apprenticeship Task Team

Council of Ministers of Education for Canada

- Advisory Committee of Deputy Ministers of Education Working Group

Ministers of Health for Canada

- Advisory Committee of Health Human Resources
  - Working Group on Trade Agreements

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## **Chapter Eight: Consumer Related Measures and Standards**

Federal-Provincial-Territorial Ministers Responsible for Consumer Affairs

- Committee on Consumer Related Measures and Standards (Consumer Measures Committee)

## **Chapter Nine: Agricultural and Food Goods**

Ministers of Agriculture

- Federal-Provincial Agri-Food Inspection Committee
- Federal-Provincial Agricultural Trade Policy Committee

## **Chapter Ten: Alcoholic Beverages**

Alcoholic Beverages Working Group

## **Chapter Eleven: Natural Resources Processing**

Working Group on Processing of Natural Resources

## **Chapter Twelve: Energy**

Council of Energy Ministers

- Energy Sector Negotiating Table

## **Chapter Thirteen: Communications**

Committee on Communications-Related Measures

## **Chapter Fourteen: Transportation**

Council of Ministers Responsible for Transportation and Highway Safety

- Canadian Council of Motor Transport Administrators

## **Chapter Fifteen: Environmental Protection**

Canadian Council of Ministers of the Environment

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## Appendix B

### INTERNAL TRADE SECRETARIAT <sup>3</sup>

125 Garry Street, Suite 850  
Winnipeg, Manitoba R3C 3P2

Phone: (204) 987-8090  
Fax: (204) 942-8460

Web site: [www.intrasec.mb.ca](http://www.intrasec.mb.ca)  
E-mail: [info@intrasec.mb.ca](mailto:info@intrasec.mb.ca)

The Internal Trade Secretariat provides administrative and operational support to the Committee of Ministers responsible for the Agreement on Internal Trade. The Agreement aims to reduce and eliminate barriers to the free movement of persons, goods, services and investments within Canada and to establish an open, stable domestic market.

#### ITS Staff

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Pending

## INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

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### Appendix C

#### DISPUTE/COMPLAINT TRACKING - SUMMARY TABLES <sup>4</sup>

##### NUMBER AND STATUS OF COMPLAINTS SINCE COMING-INTO-FORCE

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
99/00-5-EDU TRA	Dec 99	5	Information Technology	EDUCOM Training Systems Inc.	Canada	CITT	Pending	Pending	P-OG
99/00-5-BRE MOO	Dec 99	5	Meetings Management Services	Brent Moore and Associates	Canada	CITT	Pending	Pending	P-OG
99/00-5-ACE DEF	36595	5	Window Security Film Installation	Ace/Clear Defense Inc.	Canada	CITT	Pending	Pending	P-OG
99/00-5-UNI TEC	Dec 99	5	Mobile Laundry and Bathtub Units	Unisource Technology	Canada	CITT	Pending	Pending	P-OG

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File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
99/00-5-NOR MIC	April 99	5	Revenue Can. computers	Northern Micro Inc.	Canada	CITT	Denied	July 99	P-OG
99/00-5-QUA SER	April 99	5	CGSB ISO 9000 auditing	Quality Services Intl.	Canada	CITT	Denied	June 99	P-OG
99/00-5-NET CON	April 99	5	CSC software maintenance	IT/NET Consultants	Canada	CITT	Upheld	July 99	P-OG
99/00-5-LIF LIM	Jul. 99	5	Forklift Trucks	Liftow Limited	Canada	CITT	Denied	Oct. 99	P-OG
99/00-5-AMT POW	Jul. 99	5	CSE Emergency Generator	Am-Tech Power Systems	Canada	CITT	Denied	Sept. 99	P-OG
99/00-5-BMC CON	Aug. 99	5	Prof. Logistician Services	BMC I Consulting	Canada	CITT	Denied	Oct. 99	P-OG
99/00 - 5 - MET EXC	Jul 99	5	Dredging Services	Métro Excavation/ Entreprise Marissa	Canada	CITT	Denied	Nov. 99	P-OG
99/00 - 5 -IBM CAN	Jul 99	5	PWGS Mainframes	IBM Canada	Canada	CITT	Upheld	Nov. 99	P-OG

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File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
							measure)		
99/00-9-CAN SAL	Apr. 99	9	Imitation Dairy Products	British Columbia [a soy product distributor]	Ontario	Screener	Denied	Nov. 99	G-G(P)
99/00-10-NSL COM	36605	10	NSLC	Quebec (Quebec Brewers)	Nova Scotia	Chapter 10 Consults	Pending	Pending	G-G(P)
98/99 - 5 - PRE DAT	May 98	5	HRDC Data Entry	Premium DataScan Services	Canada	CITT	Denied	Aug. 98	P-OG
98/99 - 5 - LOT DEV	May 98	5	DFAIT Global Network	Lotus, Novell, Netscape	Canada	CITT	Not subject to AIT	Aug. 98	P-OG
98/99-5-INS GLO	May 98	5	HRD Moving	Installation Globale Normand Morin & Fils	Canada	CITT	Upheld	Aug. 98	P-OG
98/99-5-COR COR	June 98	5	Revenue Canada Y2K	Corel Corporation	Canada	CITT	Upheld	Oct. 98	P-OG
98/99-5-HEA TEC	Sept. 98	5	DND Heating Systems	M.D. Heat Tech Inc.	Canada	CITT	Denied	Dec. 98	P-OG
98/99-5-SER ST1	Oct. 98	5	DND Janitor Services	Service Star Building Cleaning	Canada	CITT	Upheld	Jan. 99	P-OG
98/99-5-SER ST2	Nov. 98	5	DND Janitor Services 2	Service Star Building Cleaning	Canada	CITT	Denied	Feb. 99	P-OG
98/99-5-POL BT1	Nov. 98	5	Inflatable Boats Procurement 1	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	Mar. 99	P-OG
98/99-5-POL BT2	Nov. 98	5	Inflatable Boats Procurement 2	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	Mar. 99	P-OG
98/99-5-ITS ELE	Jan. 99	5	Radar Jamming Systems	ITS Electronics	Canada	CITT	Denied	Apr.99	P-OG
98/99-5-MIL SYS	Jan. 99	5	Logistics Concept Study	MIL Systems	Canada	CITT	Upheld	Apr.99	P-OG

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File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
98/99-5-WES CAM	Jan. 99	5	Infrared Imaging Systems	Wescam Inc.	Canada	CITT	Upheld	Apr. 99	P-OG
98/99-5-COU AVI	Jan. 99	5	Aerial Surveillance	Cougar Aviation Ltd.	Canada	CITT	Denied	June 99	P-OG
98/99-5-RUI CON	Feb. 99	5	CSE Offices	Ruiter Construction	Canada	CITT	Denied	Apr. 99	P-OG
98/99-5-DEL TOU	Feb. 99	5	RCMP Resource Review						

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
97/98 - 5 - DMR CON	June 97	5	Firearm Registration	DMR Consulting	Canada	CITT	Denied	Sept. 97	P-OG
97/98 - 5 - HOV MAN	April 97	5	Army Tents	Hovey Manufacturing	Canada	CITT	Denied	July 97	P-OG
97/98 - 5 - OCE INC	Sept. 97	5	Snow Crab Software	Océanide Inc.	Canada	CITT	Not subject to the AIT	Nov. 97	P-OG
97/98-5-NOT ENV	Oct. 97	5	Ammo Disposal	NOTRA Environmental	Canada	CITT	Denied	Dec. 97	P-OG
97/98-5-WAN CAN	Dec. 97	5	National Revenue	Wang Canada	Canada	CITT	Upheld	Mar. 98	P-OG
97/98-5-SOC ODE	Jan. 98	5	Guatemala consulting	Societe de cooperation	Canada	CITT	Denied	April 98	P-OG
97/98-5-IBM CAN	Dec. 97	5	Data warehouse services	IBM Canada	Canada	CITT	Upheld	April 98	P-OG
97/98-5-TAC TEC	Jan. 98	5	Missile Defence Simulation	Tactical Technologies	Canada	CITT	Upheld	April 98	P-OG
97/98 - 5 - FRO COR	Dec. 97	5	Goose Bay Services	Frontec Corporation	Canada	CITT	Denied	May 98	P-OG
97/98 - 5 - FLO IND	Feb. 98	5	DND videoprobes	Flolite Industries	Canada	CITT	Denied	May 98	P-OG
97/98-5-BEL CAN	Mar. 98	5	Govt. Telecom Services	Bell Canada	Canada	CITT	Upheld	July 98	P-OG
97/98 - 9 - UNI LEV	Oct. 97	9	Margarine Colouring	Ontario	Quebec	Request for Ch. 17	Pending	Pending	G-G(P)
97/98 - 10 - NBL BEE	Mar. 98	10	Beer Entry	Quebec	New Brunswick	Chap. consults	Inactive	Inactive	G-G
97/98 - 15 - MMT	April 97	15	MMT	Alberta, and Saskatchewan, Nova	Canada	Chapter 17 Panel	Measure removed	July 98	G-G



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File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
				Scotia and Quebec as Intervenors					
96/97 - 5 - HEW RAN	Dec. 96	5	[computer company]	[computer company]	Saskatchewan	Screener	Denied	Jan. 98	P-OG
96/97 - 5 - ATL SAF	Mar. 97	5	Argentia remediation	Atlantic Safety Centre	Canada	CITT	Denied	May 97	P-OG
96/97 - 5 - MIR INT	Mar. 97	5	Justice Headquarters	Mirtech International Security	Canada	CITT	Denied	June 97	P-OG
96/97 - 5 - BEL CAN	Nov. 96	5	Military Message System	Bell Canada	Canada	CITT	Denied	Feb. 97	P-OG
96/97 - 5 - HER POM	Mar. 97	5	NRC Facility Design	Hervé Pomerleau Inc.	Canada	CITT	Denied	May 97	P-OG
96/97-5-PHI ENV	Jan. 97	5	Snag Airstrip	Philip Environmental	Canada	CITT	Upheld	April 97	P-OG
96/97-5-ACC CON	Mar. 97	5	Teleconference services	Accutel Conferencing Systems	Canada	CITT	Upheld	June 97	P-OG
96/97 - 7 - BUL	Sept. 96	7	[dental assistant]	Alberta	Manitoba	Chapter Assistance	Inactive	Inactive	G-G(P)
96/97 - 7 - CRE	May 96	7	[embalmer]	Alberta	Saskatchewan	Chapter Consults	Withdrawn	May 96	G-G(P)
96/97 - 7 - GIM	July 96	7	[medical services]	Alberta	Saskatchewan	Screener	Denied	Nov. 96	P-OG
96/97 - 7 - NF DEN	Feb. 97	7	NF Denturists	Nova Scotia	Newfoundland	Chapter Assistance	Upheld	Sept. 98	G-G(P)
96/97 - 10 - SPA	Sept. 96	10	[wine products]	British Columbia	Quebec	Chapter Consults	Withdrawn	Oct. 96	G-G

# INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
95/96 - 5 - AME DAT	Sept. 95	5	AmeriData	AmeriData Canada	Canada	CITT	Denied	Feb. 96	P-OG
95/96 - 5 - ARR SY1	Jan. 96	5	Array Systems 1	Array Systems Computing	Canada	CITT	Upheld	April 96	P-OG
95/96 - 5 - ARR SY2	Jan. 96	5	Array Systems 2	Array Systems Computing	Canada	CITT	Denied	Mar. 96	P-OG
95/96 - 5 - CAB	Dec. 95	5	Cabletron	Cabletron Systems	Canada	CITT	Denied	Mar. 96	P-OG
95/96 - 5 - EMC EMA	Mar. 96	5	Tempest computers 2	Emcon Emanation Control	Canada	CITT	Denied	June 96	P-OG
95/96 - 5 - EQU IND	Mar. 96	5	Équipement Industriel	Équipement Industriel Champion	Canada	CITT	Denied	June 96	P-OG
95/96 - 5 - FPG HRI	Mar. 96	5	Banff Cadet Centre	FPG/HRI Joint Venture	Canada	CITT	Upheld	June 96	P-OG
95/96 - 5 - NWT TEN	July 95	5	Northwest Territories Tender	Alberta	Northwest Territories	Request for Information	Upheld	Feb. 96	G-G
95/96 - 5 - ONT CER	Oct. 95	5	Ontario Cert. of Approval	Alberta	Ontario	Request for Information	Not subject to the AIT	April 96	G-G
95/96 - 5 - SEC TEC	Mar. 96	5	Tempest computers 1	Secure Technologies Intl.	Canada	CITT	Upheld	June 96	P-OG
95/96 - 6 - UPS	July 95	6	UPS	British Columbia	New Brunswick	Ch. 17 Assistance	Withdrawn	Nov. 96	G-G
95/96 - 7 - AB MUN	Oct. 95	7	Alberta Municipal Government Act	British Columbia	Alberta	Request for Information	Not subject to the AIT	Oct. 95	G-G
95/96 - 7 - ONT BIL	Mar. 96	7	Ontario Billing Numbers	Alberta	Ontario	Request for Information	Withdrawn	April 96	G-G(P)
95/96 - 7 - ONT	Sept. 95	7	Ontario EMCA	Alberta	Ontario	Chapter	Upheld	Mar. 97	G-G(P)

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File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
EMC						Consults			
95/96 - 7 - TAY	Sept. -95	7	[chartered accountant]	Ontario	Saskatchewan	1711 Request for proceedings	Not subject to the AIT	Aug. 96	P-OG
95/96 - 7 - VAN RES	July 95	7	Vancouver Residency	Alberta	British Columbia	Request for Information	Upheld	July 95	G-G

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## SUMMARY STATISTICS <sup>5</sup>

### Disputes By Chapter

Chapter	Disposition at Last Stage					Total
	Disposed				Pending	
	Upheld	Denied	Not subject to the AIT	Withdrawn by complainant or inactive		
5 - federal	25	29	3	0	4	61
5 - provincial	1	1	1	2	0	5
6	0	0	0	1	0	1
7	3	1	2	3	5	14
9	1	1	0	0	2	4
10	0	0	0	2	1	3
14	0	0	0	0	0	0
15	1	0	0	0	0	1
Total	31	32	6	8	12	89

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<sup>5</sup> as of March 31, 2000

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**Disputes By Year**

Year	Disposition at Last Stage					Total
	Disposed				Pending	
	Upheld	Denied	Not subject to the AIT	Withdrawn by complainant or inactive		
95/96	6	5	3	2	0	16
96/97	3	6	0	3	0	12
97/98	5	6	2	1	1	15
98/99	11	7	1	0	3	22
99/00	6	8	0	2	8	24
Total	31	32	6	8	12	89

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**Average Length of Time to Disposition**

<b>Year</b>	<b>Average Length of Time to Disposition in Months</b>	<b>Number of Disputes (for which Initiation and Disposition months are both known)</b>	<b>Number of Disputes Pending or Inactive</b>	<b>Total Number of Disputes</b>
95/96	5.3	16	0	16
96/97	4.8	11	1	12
97/98	4.0	13	2	15
98/99	3.9	19	3	22
99/00	3.4	14	10	24
Total	4.3	77	12	89

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Appendix D

**OUTSTANDING OBLIGATIONS <sup>6</sup>**

**Introduction**

The Internal Trade Secretariat keeps track of progress in implementing the Agreement on Internal Trade. As part of this monitoring task, two charts are prepared. Table A-“Outstanding Obligations - General” reports on the obligations outstanding as of August 2001 that are the responsibility of the Parties as a whole, including those obligations which are the responsibility of other ministerial councils. The second table, Table B- “Outstanding Obligations - Parties”, tracks those outstanding obligations that are the responsibility of individual Parties.

**TABLE A: OUTSTANDING OBLIGATIONS - GENERAL**

**Chapter 5: Procurement**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i><b>OBLIGATIONS TO NEGOTIATE</b></i>				
517.1	Negotiate to reduce excluded government entities from the chapter.	July 1, 1996	Procurement Negotiating Table	Ongoing; draft Annex negotiated but finalization of lists yet to be completed. CIT to decide on treatment of entities that remain excluded.
<i><b>OBLIGATIONS TO REVIEW</b></i>				
516.1	Undertake an initial review of the chapter, including threshold levels.	July 1, 1996	Procurement Negotiating Table	Never initiated
516.2	Review annually chapter and present findings and recommendations to Committee on Internal Trade.	March of every year	Procurement Negotiating Table	Never initiated

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516.4	Review opportunity to harmonize or reconcile bid protest procedures.	July 1, 1998	Procurement Negotiating Table	Never initiated
516.5	Review and finalize the list of excluded services from the chapter.	July 1, 1996	Procurement Negotiating Table	Suspended
508.4 (b)	Review non-conforming procurement measures.	January 1, 1998	CA, BC, YT, NT, PE and NF	Only CA, BC and NF have completed.
Annex 502.4 P5	Establish Working Group to review work of the Provinces re: harmonization	No date	Procurement Negotiating Table (Provinces)	Never initiated
Annex 502.4 P5	Review work of the Provinces re: harmonization of standard terms and conditions in tender documents and standardization of complaint processes by MASH entities	July 1, 2000	Working Group	Never initiated
Annex 502.4 P6	Review application of Canadian Content and Regional Economic Development	July 1, 2001	Procurement Negotiating Table (Provinces)	Never initiated
Annex 502.4 P7	Review operation of Dispute Resolution provisions	Within 1 year of completion of review of standardization of complaint processes under P5	Procurement Negotiating Table (Provinces)	Never initiated
Annex 502.4 P7	Review operation of Dispute Resolution provisions	Within 1 year of completion	Procurement Negotiating Table (Provinces)	Never initiated



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		of review of standardization of complaint processes under P5		
<b>RECURRING OBLIGATIONS</b>				
511.6	Prepare advertisement in a suitable newspaper format on procurement procedures for the Parties to publish.	Annually	Secretariat	Ongoing; 00/01 draft in progress
508.4 (a)	Prepare annual report of non-conforming procurement policies and programs.	Annually	Each Party	<u>Annual</u> 99/00 PE missing
511.1	Prepare annual report on procurement by 502.1A entities.	Annually	Each Party	<u>Annual</u> 95/96 NT missing 96/97 NS and ON missing 98/99 NT missing 99/00 MB, QC, NB, PE, and NT missing
511.3 508.1 506.11 506.12	Prepare annual report on excluded procurement above threshold value.	Annually	Each Party	<u>Annual</u> Article 506 96/97 NS and ON missing 98/99 NT missing 99/00 MB, QC, NB, PE, and NT missing  <u>Annual</u> Article 508.1 96/97 NS and ON missing 98/99 SK and NT missing 99/00 MB, QC, NB, PE, and NT missing
<b>ADMINISTRATIVE OBLIGATIONS</b>				
513.7	Advise Secretariat of procurement panellists.	July 1, 1995	Each Party	BC, SK and ON missing

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**Chapter 6: Investment**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b><i>OBLIGATIONS TO NEGOTIATE</i></b>				
606	Reconcile extra-provincial corporation registration and reporting requirements.	No date	Working Group on Investment	Requirements reconciled through Annex 606. However, Parties unable to agree on electronic system to facilitate implementation.
615(d)	Clarify and improve Code of Conduct on Incentives.	No date	Working Group on Investment	Ongoing
<b><i>OBLIGATIONS TO REVIEW</i></b>				
Annex 606 (21)	Review the operation, scope and coverage of the Annex on Extra-Provincial Corporate Registration and Reporting Requirements.	Every two years	Working Group on Investment	Suspended until electronic system to facilitate implementation of Annex 606 is in place.
<b><i>RECURRING OBLIGATIONS</i></b>				
615(b)	Prepare an annual report on incentives to be submitted to CIT.	Annually	Working Group on Investment	<p><u>Annual</u> 96/97 missing 97/98 missing 98/99 missing 99/00 missing</p> <p>Presently waiting for incentives reports from Parties; 96/97 NB and PE missing 97/98 NB and NS missing 98/99 BC, NB, NS and PE missing 99/00 BC, MB, ON, QC, NB, NS, PE, NF, YT and CA missing</p>

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<i>ADMINISTRATIVE OBLIGATIONS</i>
All obligations have been met.

**Chapter 7: Labour Mobility**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
703.1	Seek compliance of chapter by non-governmental bodies that exercise authority delegated by law, governmental bodies and forms of municipal governments.	Reasonable time	Parties	Ongoing
703.2	Parties to adopt and maintain measures to ensure compliance by non-governmental bodies that exercise authority delegated by law, governmental bodies and forms of municipal governments.	Reasonable time	Parties	Ongoing
703.4	Seek compliance of chapter by non-governmental bodies other than those that exercise authority delegated by law.	No date	Parties	Ongoing
708	Mutually recognize or reconcile qualifications or occupational standards.	Reasonable date	Parties	Ongoing
<i>OBLIGATIONS TO REVIEW</i>				
All obligations have been met.				

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<i>RECURRING OBLIGATIONS</i>				
712.1.c	Produce an annual report on the chapter to be submitted to CIT.	Annually	Forum of Labour Ministers	Annual 1999/2000 missing
<i>ADMINISTRATIVE OBLIGATIONS</i>				
All obligations have been met.				

**Chapter 8: Consumer-Related Measures**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
807.1 Annex 807.1	Reconcile consumer-related measures and adopt harmonized measures: eg., direct selling, upholstered and stuffed articles measures, cost of credit disclosure.	Various dates but all prior to January 1, 1997	Parties	Ongoing; almost complete and outstanding work is advancing fairly quickly.
<i>OBLIGATIONS TO REVIEW</i>				
All obligations have been met.				
<i>RECURRING OBLIGATIONS</i>				
All obligations have been met.				
<i>ADMINISTRATIVE OBLIGATIONS</i>				
All obligations have been met.				

**Chapter 9: Agricultural and Food Goods**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
All obligations have been met.				

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<b><i>OBLIGATIONS TO REVIEW</i></b>				
902.4	Review scope and coverage of the chapter.	September 1, 1997	Ministers of Agriculture	Ongoing; a draft illustrative Chapter has been prepared.
903.2	Review supply management for poultry, eggs and dairy, and agricultural safety nets.	No date	Ministers of Agriculture	Ongoing
<b><i>RECURRING OBLIGATIONS</i></b>				
All obligations have been met.				
<b><i>ADMINISTRATIVE OBLIGATIONS</i></b>				
All obligations have been met.				

**Chapter 10: Alcoholic Beverages**

<b>Article</b>	<b>Outstanding Obligations</b>	<b>Timing</b>	<b>Responsibility</b>	<b>Status</b>
<b><i>OBLIGATIONS TO NEGOTIATE</i></b>				
1007	Harmonize by developing National Wine Standards.	No date	Parties	Ongoing; implementation issues remain
1011.b	British Columbia and Quebec to negotiate equivalent access for wine and wine products.	March 31, 1997	British Columbia and Quebec	Never initiated
<b><i>OBLIGATIONS TO REVIEW</i></b>				
All obligations have been met.				
<b><i>RECURRING OBLIGATIONS</i></b>				
All obligations have been met.				
<b><i>ADMINISTRATIVE OBLIGATIONS</i></b>				
All obligations have been met.				

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**Chapter 11: Natural Resources Processing**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b><i>OBLIGATIONS TO NEGOTIATE</i></b>				
All obligations have been met.				
<b><i>OBLIGATIONS TO REVIEW</i></b>				
All obligations have been met.				
<b><i>RECURRING OBLIGATIONS</i></b>				
All obligations have been met.				
<b><i>ADMINISTRATIVE OBLIGATIONS</i></b>				
Annex 1102.3	Notification of measures to which the Agreement does not apply	No date	British Columbia	Missing

**Chapter 12: Energy**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b><i>OBLIGATIONS TO NEGOTIATE</i></b>				
1810.2	Complete and adopt a chapter on energy.	July 1, 1995	Parties	Ongoing; draft chapter approved - regional economic development referred to CIT.
<b><i>OBLIGATIONS TO REVIEW</i></b>				
All obligations have been met.				
<b><i>RECURRING OBLIGATIONS</i></b>				
All obligations have been met.				
<b><i>ADMINISTRATIVE OBLIGATIONS</i></b>				
All obligations have been met.				

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**Chapter 13: Communications**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i><b>OBLIGATIONS TO NEGOTIATE</b></i>				
All obligations have been met.				
<i><b>OBLIGATIONS TO REVIEW</b></i>				
All obligations have been met.				
<i><b>RECURRING OBLIGATIONS</b></i>				
All obligations have been met.				
<i><b>ADMINISTRATIVE OBLIGATIONS</b></i>				
1303.1	Establish a Committee on Communications-Related Measures.	No date	Parties	Suspended; no issues identified.
1303.2	Committee on Communications-Related Measures to monitor implementation of Chapter and to identify measures that need to be reconciled.	No date	Committee on Communications-Related Measures	Never initiated

**Chapter 14: Transportation**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i><b>OBLIGATIONS TO NEGOTIATE</b></i>				
1408.1	Establish a uniform national bill of lading.	July 1, 1995	Parties	Suspended; bills of lading considered relatively consistent
1408.1	Parties to develop and maintain uniform rules for motor vehicle weights and dimensions.	No date	Parties	Ongoing

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1408.1	Motor Carrier Safety Code - implement National Safety Code :  - hours of service  - security of loads  - commercial vehicle maintenance  - on-road inspections  - trip inspections  - compliance review - safety ratings  - facility audits	January 1, 1996	Parties	Ongoing; draft standard proposed and being drafted  Ongoing; standard approved with implementation to begin  Ongoing; changes proposed  Ongoing; changes proposed  Ongoing; changes proposed  Ongoing; standard approved but currently being drafted  Ongoing; standard near approval
1408.1	Establish a work plan for the creation of a harmonized mechanism for the designation of agents for service of notices of proceedings.	July 1, 1995	Council of Ministers of Transportation	Suspended; issue deemed covered by Chapter 6.
1408.1	Establish a work plan for the creation of a harmonized mechanism to collect fuel and sales taxes and vehicle registration fees.	July 1, 1995	Council of Ministers of Transportation	Ongoing; discussed as needed
1410.2	Endeavor to negotiate to liberalize or remove measures listed in Annex 1410.1- including bus industry economic regulation	Every two years	Council of Ministers of Transportation	Ongoing



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<b>OBLIGATIONS TO REVIEW</b>
All obligations have been met.
<b>RECURRING OBLIGATIONS</b>
All obligations have been met.
<b>ADMINISTRATIVE OBLIGATIONS</b>
All obligations have been met.

**Chapter 15: Environmental Protection**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b>OBLIGATION TO NEGOTIATE</b>				
1508	Harmonize environmental measures.	No date	Parties	Ongoing; three sub-agreements being worked on.
<b>OBLIGATIONS TO REVIEW</b>				
All obligations have been met.				
<b>RECURRING OBLIGATIONS</b>				
All obligations have been met.				
<b>ADMINISTRATIVE OBLIGATIONS</b>				
All obligations have been met.				

**Chapter 16: Institutional Provisions**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b>OBLIGATION TO NEGOTIATE</b>				
All obligations have been met.				
<b>OBLIGATION TO REVIEW</b>				
All obligations have been met.				

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<i>RECURRING OBLIGATIONS</i>				
1602.2	Report on the effects of the Agreement in each province and make recommendations to assist Parties to adjust.	Annually	Working Group on Adjustment	Never initiated
1601.6	Prepare annual report on functioning of Agreement including Dispute Resolution Procedures.	Annually	Committee on Internal Trade	<u>Annual</u> 2000-2001 missing
<i>ADMINISTRATIVE OBLIGATIONS</i>				
1602.3	Working Group on Adjustment to meet.	Semi-Annually or at such other time as might be agreed.	Working Group on Adjustment	Never Initiated

**Chapter 17: Dispute Resolution**

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
All obligations have been met.				
<i>OBLIGATIONS TO REVIEW</i>				
All obligations have been met.				
<i>RECURRING OBLIGATIONS</i>				
All obligations have been met.				
<i>ADMINISTRATIVE OBLIGATIONS</i>				
1705.1	Advise Secretariat of roster of panellists.	No date	Each Party	BC, SK, NB and PE missing
1713.1	Advise Secretariat of	July 1, 1995	Each Party	SK, NB, and PE missing

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	screeners.			
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**Chapter 18: Final Provisions**

Article	Outstanding Obligations	Timing	Responsibility	Status
<b>OBLIGATIONS TO NEGOTIATE</b>				
All obligations have been met.				
<b>OBLIGATIONS TO REVIEW</b>				
1809.4	Review effectiveness of mechanisms for consultation and participation in international negotiations.	July 1, 1996	Parties	Never initiated
1810.4	Review scope and coverage of Agreement.	Annually	Committee on Internal Trade	Never initiated
<b>RECURRING OBLIGATIONS</b>				
1801.3(c)	Report annually on regional economic development programs.	Annually	Each Party	<u>Annual</u> 96/97 BC, MB, QC and NB missing 97/98 BC, MB and NB missing 98/99 BC, MB, ON and NB missing 99/00 BC, MB, ON, QC, NB, YT and CA missing (Some Parties have indicated that they do not have regional economic programs.)
1801.4 1801.5	Conduct an evaluation of their regional development programs and make the report public.	Every five years starting July 1, 2000 or after their adoption	Each Party that has regional economic programs	Only CA has provided.
<b>ADMINISTRATIVE OBLIGATIONS</b>				

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1801. 3(a)	Advise Secretariat of Regional Development Programs	Reasonable time after July 1, 1995	Each Party	BC and MB missing
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**TABLE B: OUTSTANDING OBLIGATIONS BY PARTY<sup>7</sup>**

**CANADA**

<b>Article</b>	<b>Outstanding Obligations</b>	<b>Timing</b>	<b>Status</b>
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			
1801.3(c)	Report annually on regional economic development programs.	Annually	1999/2000 missing

**BRITISH COLUMBIA**

<b>Article</b>	<b>Outstanding Obligations</b>	<b>Timing</b>	<b>Status</b>
<b>Chapter 5: Procurement</b>			
513.7	Advise Secretariat of procurement panellists.	34880	Missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	1998/99 and 1999/2000 missing
<b>Chapter 11: Natural Resources Processing</b>			
Annex 1102.3	Notification of measures to which the Agreement does not apply.	No date	Missing

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<sup>7</sup> as of July 2001

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<b>Chapter 14: Transportation</b>			
1411	Phase out economic entry test for local trucking.	35795	Full elimination delayed pending repeal of Part III of MVTA.
<b>Chapter 17: Dispute Resolution</b>			
1705.1	Advise Secretariat of Roster of Panellists.	No date	Missing
<b>Chapter 18: Final Provisions</b>			
1801.3(a)	Advise Secretariat of Regional Development Programs.	Reasonable time after July 1, 1995	Missing
1801.3 (c)	Report annually on regional economic development programs.	Annually	96/97, 97/98, 98/99 and 1999/2000 missing
1801.4 1801.5	Conduct an evaluation of regional development programs and to provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

**ALBERTA**

<b>Article</b>	<b>Outstanding Obligations</b>	<b>Timing</b>	<b>Status</b>
<b>NONE</b>			

**SASKATCHEWAN**

<b>Article</b>	<b>Outstanding Obligations</b>	<b>Timing</b>	<b>Status</b>
<b>Chapter 5: Procurement</b>			
508.1	Annual report on procurement excluded for regional	Annually	98/99 missing

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	economic development programs.		
513.7	Advise Secretariat of procurement panellists.	34880	Missing
<b>Chapter 17: Dispute Resolution</b>			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	34880	Missing

### MANITOBA

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
511.1	Annual report on procurement by 502.1A entities.	Annually	1999-2000 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1999-2000 missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Reports on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			
1801.3(a)	Advise Secretariat of Regional Development Programs.	Reasonable time after July 1, 1995	Missing
1801.3(c)	Report annually on regional economic	Annually	96/97, 97/98, 98/99 and 1999/2000 missing

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	development programs.		
1801.4 1801.5	Conduct an evaluation of regional development programs and to provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

### ONTARIO

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
511.1	Annual report on procurement by 502.1A entities.	Annually	96/97 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	96/97 missing
513.7	Advise Secretariat of procurement panellists.	34880	Missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Reports on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			
1801.3(c)	Report annually on regional economic development programs.	Annually	98/99 and 1999/2000 missing
1801.4 1801.5	Conduct an evaluation of their regional development	Every five years starting July 1, 2000 or after their adoption	Missing



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	programs and to provide a public report.		
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### QUEBEC

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
511.1	Annual report on procurement by 502.1A entities.	Annually	1999/2000 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1999/2000 missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			
1801.3(c)	Report annually on regional economic development programs.	Annually	96/97 and 1999/2000 missing
1801.4 1801.5	Conduct an evaluation of regional development programs and to provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

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## NEW BRUNSWICK

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
511.1	Annual report on procurement by 502.1A entities.	Annually	1999/2000 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1999/2000 missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	96/97, 97/98, 98/99 and 1999/2000 missing
<b>Chapter 17: Dispute Resolution</b>			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	34880	Missing
<b>Chapter 18: Final Provisions</b>			
1801.3(c)	Report annually on regional economic development programs.	Annually	96/97, 97/98, 98/99 and 1999/2000 missing
1801.4 1801.5	Conduct an evaluation of regional development programs and to provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

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**NOVA SCOTIA**

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
511.1	Annual report on procurement by 502.1A entities.	Annually	96/97 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	96/97 missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	97/98, 98/99 et 1999/2000 missing

**PRINCE EDWARD ISLAND**

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
508.4(a)	Annual report on non-conforming procurement policies and programs.	Annually	1999/2000 missing
508.4(b)	Review of the non-conforming procurement policies and programs listed in Column II of Annex 508.3.	35795	Missing
511.1	Annual report on procurement by 502.1A entities.	Annually	1999/2000 missing
511.3	Annual report on	Annually	1999/2000 missing

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508.1 506.11 506.12	excluded procurement above threshold value.		
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	96/97, 98/99 and 1999/2000 missing
<b>Chapter 17: Dispute Resolution</b>			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	July , 1995	Missing

### NEWFOUNDLAND

Article	Outstanding Obligations	Timing	Status
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			
1801.4 1801.5	Conduct an evaluation of their regional development programs and to provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

**INTERNAL TRADE SECRETARIAT  
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**NORTHWEST TERRITORIES**

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
508.4(b)	Review of the non-conforming procurement policies and programs listed in Column II of Annex 508.3.	35795	In progress
511.1	Annual report on procurement by 502.1A entities.	Annually	95/96, 98/99 and 1999/2000 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	98/99 and 1999/2000 missing

**YUKON**

Article	Outstanding Obligations	Timing	Status
<b>Chapter 5: Procurement</b>			
508.4(b)	Review of the non-conforming procurement policies and programs listed in Column II of Annex 508.3.	January 1, 1998	Missing
<b>Chapter 6: Investment</b>			
615(b)	Annual Report on Incentives.	Annually	1999/2000 missing
<b>Chapter 18: Final Provisions</b>			

**INTERNAL TRADE SECRETARIAT  
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1801.3(c)	Report annually on regional economic development programs.	Annually	1999/2000 missing
1801.4 1801.5	Conduct an evaluation of regional development programs and provide a public report.	Every five years starting July 1, 2000 or after their adoption	Missing

**INTERNAL TRADE SECRETARIAT  
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**Appendix E**

**FINANCIAL STATEMENTS**

**INTERNAL TRADE  
SECRETARIAT**

**March 31, 2000**

# **INTERNAL TRADE SECRETARIAT 1999-2000 ANNUAL REPORT**

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## **AUDITORS' REPORT**

**To the Management Board of the  
Internal Trade Secretariat**

**We have audited the balance sheet of the Internal Trade Secretariat as at March 31, 2000 and the statement of revenue and expenditures and net assets for the year then ended. These financial statements are the responsibility of Internal Trade Secretariat management. Our responsibility is to express an opinion on these financial statements based on our audit.**

**We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Internal Trade Secretariat management, as well as evaluating the overall financial statement presentation.**

**As outlined in note 8 to the financial statements, the Internal Trade Secretariat does not capitalize and amortize its capital assets. In this respect only, the financial statements are not in accordance with accounting principles generally accepted in Canada.**

**In our opinion, except for the effects of the failure to capitalize and amortize capital assets as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Internal Trade Secretariat as at March 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with accounting principles generally accepted in Canada.**



**INTERNAL TRADE SECRETARIAT  
1999-2000 ANNUAL REPORT**

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*Ernst & Young s.r.l.*

Winnipeg, Canada,  
May 16, 2000.  
Internal Trade Secretariat

Chartered Accountants

**BALANCE SHEET**

As at March 31

	2000	1999
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	164,589	153,437
Accounts receivable	45,108	15,199
	<u>209,697</u>	<u>168,636</u>
<b>Capital assets</b>		
Computers, furniture, and office equipment <i>[note 2]</i>	1	1
	<u>209,698</u>	<u>168,637</u>
<b>LIABILITIES AND SURPLUS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	32,165	111,953
<b>Deferred contributions</b>		
Federal Government <i>[note 3]</i>	39,706	40,917
Provinces and Territories <i>[note 4]</i>	137,827	15,767
Total current liabilities	<u>209,698</u>	<u>168,637</u>
Net assets	—	—
	<u>209,698</u>	<u>168,637</u>

*See accompanying notes*

On behalf of the Internal Trade Secretariat

Executive Director

**INTERNAL TRADE SECRETARIAT  
1999-2000 ANNUAL REPORT**

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**Internal Trade Secretariat**

**STATEMENT OF REVENUE AND EXPENDITURES  
AND NET ASSETS**

Year ended March 31

	2000	1999
	\$	\$
<b>REVENUE</b>		
<b>Contributions</b>		
Federal Government <i>[note 3]</i>	332,937	401,549
Provinces and Territories <i>[note 4]</i>	335,283	405,933
<b>Interest</b>		
Federal Government bank account <i>[note 3]</i>	4,900	7,064
Provinces and Territories bank account <i>[note 4]</i>	2,553	2,680
	675,673	817,226
<b>EXPENDITURES</b>		
<b>Capital assets</b>		
Computers	11,781	10,844
Office equipment	415	444
Communications	13,718	12,460
Facility costs	38,985	38,985
Goods and services tax [net]	11,443	15,199
Professional services	7,075	28,565
Meetings and conferences	27,052	74,214
Office expenses	39,444	50,940
Personnel	403,691	368,377
Projects	(5,187)	97,983
Training	1,013	2,160
Translation	49,822	53,588
Travel	76,421	63,467
	675,673	817,226
<b>Excess of revenue over expenditures for the year</b>	—	—
<b>Net assets, beginning of year</b>	—	—
<b>Net assets, end of year</b>	—	—

*See accompanying notes*

## **Internal Trade Secretariat**

# **NOTES TO FINANCIAL STATEMENTS**

March 31, 2000

## **1. STATUS AND NATURE OF ACTIVITIES**

The Internal Trade Secretariat is an unincorporated association which was established on August 8, 1995, as required by the Agreement on Internal Trade. The objective of this Agreement is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada.

The Internal Trade Secretariat's role is to provide administrative and operational support to the Committee on Internal Trade and other working groups or committees set up to implement the Agreement on Internal Trade.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of accounting**

The financial statements have been prepared by Internal Trade Secretariat management in accordance with accounting principles generally accepted in Canada, except as noted below. The financial statements have, in management's opinion, been prepared using careful judgement within reasonable limits of materiality.

### **Capital assets**

Capital assets are charged to expenditures in the year of purchase. During the year \$12,196 [1999 - \$11,288] of capital assets were expensed. Generally accepted accounting principles require that capital assets be capitalized and amortized over their estimated useful life. The effect of this policy is described in note 8.

### **Revenue recognition**

The Internal Trade Secretariat follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions receivable are recognized if the amount can be reasonably estimated and ultimate collection is reasonably assured.

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2000

**3. CONTRIBUTIONS - FEDERAL GOVERNMENT**

Based on a Funding Agreement with the Federal Government, the Internal Trade Secretariat is to receive contributions to cover 50% of eligible expenditures incurred during the year.

The details of contributions from the Federal Government for the year are as follows:

	2000	1999
	\$	\$
Deferred contributions (contributions receivable), beginning of year	40,917	(16,390)
Contributions received during the year	331,726	458,856
	<u>372,643</u>	<u>442,466</u>
<b>Required contributions</b>		
50% of the eligible expenditures of \$675,673 [1999 - \$817,226]	337,837	408,613
Deduct interest earned on advances from the Federal Government	(4,900)	(7,064)
	<u>332,937</u>	<u>401,549</u>
Deferred contributions, end of year	<u>39,706</u>	<u>40,917</u>

**4. CONTRIBUTIONS - PROVINCES AND TERRITORIES**

Based on the Agreement on Internal Trade, the Internal Trade Secretariat is to receive contributions to cover 50% of eligible expenditures incurred during the year from the Provinces and Territories.

The details of contributions from the Provinces and Territories for the year are as follows:

	2000	1999
	\$	\$
Deferred contributions, beginning of year	15,767	37,028
Contributions received during the year	457,343	384,672
	<u>473,110</u>	<u>421,700</u>
<b>Required contributions</b>		
50% of the eligible expenditures of \$675,673 [1999 - \$817,226]	337,836	408,613
Deduct interest earned on advances from the Provinces and Territories	(2,553)	(2,680)
	<u>335,283</u>	<u>405,933</u>
Deferred contributions, end of year	<u>137,827</u>	<u>15,767</u>

**5. LEASE COMMITMENTS**

## Internal Trade Secretariat

### NOTES TO FINANCIAL STATEMENTS

March 31, 2000

The Internal Trade Secretariat is committed to make minimum annual rental payments under a lease which expires February 15, 2001 as follows:

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	\$
2001	16,867

In addition, the organization is responsible for their share of common area costs which currently totals approximately \$1,800 per month.

#### 6. ECONOMIC DEPENDENCE

The operations of the Internal Trade Secretariat are dependent upon the continued funding from territorial, provincial and federal jurisdictions.

#### 7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as it provides no additional information.

#### 8. CAPITAL ASSETS

The Internal Trade Secretariat charges capital asset additions to expenditures in the year of purchase. In this respect, the financial statements are not in accordance with generally accepted accounting principles which require that capital assets be capitalized and amortized over their useful life. The estimated useful life of the capital asset components which include computers, furniture and office equipment is usually 5 years. If capital assets had been capitalized and amortized over their estimated useful life of five years, the capital assets expensed for the current year would have been reduced by \$12,196 [1999 - \$11,288], amortization expense would have been increased by \$33,426 [1999 - 31,591], contribution revenue would have been increased by \$21,229 [1999 - \$20,303], and capital assets and deferred contributions on the balance sheet would each have been increased by \$25,199 [1999 - \$49,451].