

INTERNAL TRADE SECRETARIAT
2001-2002 ANNUAL REPORT

THE
AGREEMENT
ON
INTERNAL
TRADE

April 2001
to
March 2002

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October 2002

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 (AIT) for the period April 1, 2001 to March 31, 2002.

During this reporting period, the Parties to the Agreement continued their efforts to fully implement the AIT. In that regard, the Parties made every effort to schedule a meeting of the Committee on Internal Trade (CIT) during the reporting period and by the end of March 2001 were considering the possibility of holding a CIT meeting in conjunction with the June 2002 meeting of Innovation Ministers. The CIT did meet on June 21, 2002 and the Annual Report for the next reporting period will review the results of that meeting.

The Parties completed the second and final phase of the Public Consultations Project on Internal Trade by convening a National Conference in Toronto, Ontario in late May 2001. The conference was entitled; Strengthening Canada - Challenges for Internal Trade and Mobility and was attended by over 120 organizations representing business, labour, non-governmental organizations and research institutes. The Consultations Project was mandated by the CIT and initiated in the 1999/2000 fiscal year.

With the completion of the consultations project, the major activities undertaken over the remainder of the reporting period focussed on the theme of the Future of the AIT. Among the more noteworthy activities which were undertaken under that umbrella are the following:

- % initiating the development of REGISTREX, an electronic gateway to facilitate extra-provincial corporate registration and reporting;
- % continuing the development of a "post July 1, 2001" strategy for the full implementation of Chapter Seven (Labour Mobility);
- % continuing the development of a forward agenda for further cooperation on consumer issues; and
- % undertaking the analysis of the findings of the consultations project with the view of preparing a work plan for future activities for the consideration of the CIT.

By the end of this reporting period, only two major items remained to be negotiated in order to complete the implementation of the AIT, namely: the finalization of the procurement provisions for government entities of a commercial or industrial nature; and the adoption of an Energy Chapter. In view of this, it is expected that the focus for future activities in regard to the AIT will be on the Future of the AIT and, in particular, on ways for improving internal trade.

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This year also saw the launch of the first annual client survey. Officials who are members of working groups and committees responsible for the implementation of the AIT were asked to complete a questionnaire which asked them to rate their degree of satisfaction with the services provided by the Secretariat and to provide an indication of the priority they ascribed to the activities of the Secretariat over the coming year.

On a scale of 1 to 5 where 1 is “strongly disagree” and 5 “strongly agree”, the overall average satisfaction rating was 4.12.

The Secretariat will be using this and future surveys to continue to improve its service to all the Parties and to develop business plans which are better tailored to the needs of the Parties.

André Dimitrijevic
Executive Director
Internal Trade Secretariat

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Ministers of the Committee on Internal Trade¹

Allan Rock (Co-chair)
Minister of Industry
Canada

Halvar Jonson (Co-chair)
Minister of International &
Intergovernmental Relations
Alberta

Norman Betts (Vice-chair)
Minister of Business New Brunswick and Minister
responsible for Service New Brunswick
New Brunswick

Beaton Tulk
Minister of Industry, Trade and Rural
Development
Newfoundland & Labrador

Lcïe Papineau
Ministre déléguée à l'Industrie et au Commerce
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Prince Edward Island

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Saskatchewan

Rick Thorpe
Minister for Competition, Science and Enterprise
British Columbia

Jim Antoine
Minister of Resources, Wildlife &
Economic Development
Northwest Territories

Scott Kent
Minister for Economic Development
Yukon

¹ As of March 31, 2002

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1) Highlights of the Year in Review

In 2001/2002, the Parties to the Agreement on Internal Trade (AIT) continued their efforts to fully implement the Agreement by pursuing the negotiations mandated by the Agreement and necessary for concluding the outstanding obligations in the Agreement. The Parties made every effort to schedule a meeting of the Committee on Internal Trade (CIT) during this reporting period and by the fiscal year end in March 2002 were discussing the possibility of a meeting to be held in June 2002, in the following reporting period.

During this reporting period, officials held over 18 meetings and over 75 conference calls in pursuit of the objectives of fully implementing the AIT and of looking at the future of the AIT and ways for improving internal trade.

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

- continuing negotiations to reduce the number of government entities excluded from the procurement rules by working to finalize draft Annex 502.3 which will set out provisions for procurement by government entities of a commercial or industrial nature or those granted exclusive rights by a Party;
- continuing negotiations to clarify the Code of Conduct on Incentives;
- initiating the development of REGISTREX, an electronic gateway to facilitate extra-provincial corporate registration and reporting;
- continuing the development of a "post-July 1, 2001" strategy on the full implementation of Chapter Seven (Labour Mobility);
- continuing the development of an agenda for further cooperation on consumer issues beyond the now completed AIT requirements;
- continuing negotiations to resolve the outstanding issue relative to the Energy Chapter concerning the nature and extent of carve-outs for regional economic development programs;
- implementing the second phase of a major public consultations project on improving internal trade which entailed convening a national conference entitled *Strengthening Canada - Challenges for Internal Trade and Mobility* in Toronto, May 31 and June 1, 2001;
- continuing to implement improvements to the Secretariat main web site; and
- design and implementation of the first annual survey of the Secretariat's clientele.

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In 2001/2002, 28 disputes were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 15 had been addressed by year end and 13 were pending. In total, 152 disputes have been filed between the time the AIT came into force in July 1995 and the end of this reporting period, of which 122 have been resolved, 10 have been withdrawn or are inactive, and 20 are pending. Further, the average length of time to dispose of a dispute has been steadily dropping, from 6.2 months in 1995/96 to 4.2 months for disputes initiated in the current reporting period. This results in an average of 4.3 months over the time since the Agreement came into effect.

The following sections of this report provide details of the above and other activities undertaken under the AIT during the period 2001/2002.

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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 (with the exception of Nunavut) 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 negotiations for extending this chapter to the MASH sector (including municipalities, municipal organisations, school boards, and publicly-funded academic, health and social services) were completed in 1998 and the provisions implemented in 1999.
- **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 interprovincial trade rules relating to 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 may arise among governments, as well as those between governments and individuals.

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

Every chapter except one 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

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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 Seventeen of the Agreement.

ii) **Formal dispute resolution procedures under Chapter Seventeen**

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 Alberta. 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 five times since the Agreement came into effect and the end of this reporting period (in November, 1995; March, 1996; June 1996; February 1998; and in April 2000). In addition, conference calls have been arranged, as necessary, to deal with complaints launched under the dispute resolution procedures of the Agreement.

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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, 2002.

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:

- 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;

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- examined 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;
- 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;
- pursued negotiations to reduce the number of services excluded from the Agreement;
- 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;
- reviewed reporting requirements under the Chapter and adopted a reporting template in order to bring greater completeness and consistency to the reports provided by Parties;
- posted tables and charts on reported federal, provincial and territorial government procurement on the Secretariat website;
- launched MARCAN, the website developed to help Canadian companies identify internet sites that may publish procurement opportunities within the Canadian public sector.

During this reporting period, the Parties have:

- continued negotiations to refine the list of government entities of a commercial or industrial nature or those which have been granted exclusive rights by a Party that would be covered by a new annex to Chapter Five, and defining the treatment of entities that would remain excluded after the new annex came into force;
- updated the tables and charts found on the Secretariat website concerning reported federal, provincial and territorial procurement;
- updated and expanded the range of sites listed on the MARCAN website;
- prepared a public advertisement intended for suppliers and listing procurement information pertaining to each Party;
- continued to review how to facilitate access by suppliers to public sector tender opportunities in the context of the expiration of the contracts that many Parties held with a national electronic tendering service provider.

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In the year ahead the Parties intend to:

- conclude the negotiations to include an annex in Chapter Five covering government entities of a commercial or industrial nature or those granted exclusive rights by a Party by seeking CIT approval of the text of the new annex covering such entities, the list of specific entities to be covered by the annex as well as any amendments to the Chapter that may be necessary to deal with those entities that would remain excluded once the new annex should come into effect;
- continue to review technical issues related to the electronic tendering approaches being developed by several Parties with a view to facilitating access by suppliers to public sector tender opportunities across the country; and
- initiate a review of the Chapter.

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

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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;
- finalized guidelines on the content and format of Annual Reports on Incentives and initiated completion of outstanding reports from previous years;
- initiated negotiations on clarifications and improvements to the Code of Conduct on Incentives (Annex 608.3).

During this reporting period, the Parties have:

- initiated development of REGISTREX, a single window for links to the corporate registries of the federal, provincial and territorial governments; and
- completed 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 of REGISTREX; and
- complete the Annual Reports on Incentives for those years for which the requisite data has been provided by the Parties.

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;

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- 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”.

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,
 - support for 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*,
 - the implementation of 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,
 - the identification of legislation governing regulatory bodies that will need to be changed and the development of a work plan for introducing amendments to ensure the July 1, 2001 deadline is met, and
 - initiating development of a comprehensive report on the progress achieved in implementing the Chapter as of July 1, 2001.
- 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, including development of a labour market information website to provide information on the licensing requirements of regulatory bodies.

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During this reporting period, the Parties have:

- finalized and published the progress report on the implementation of the Chapter;
- initiated implementation of a collective action plan for occupations that have not met the July 1, 2001 deadline for compliance;
- continued implementation of the legislative and regulatory changes required to bring regulatory bodies into compliance; and
- initiated a review of the dispute resolution mechanism under the Chapter.

In the year ahead the Parties intend to:

- continue to work towards compliance by all occupations;
- continue to implement required legislative and regulatory changes; and
- complete the review of the dispute resolution mechanism.

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,

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- 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 completed 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, prepared a drafting template for harmonized cost of credit legislation and initiated the process of harmonizing legislation;
- completed a report on possible additional agreements on consumer-related measures and standards and prepared an agenda for future cooperation on consumer issues;
- completed negotiation of a dispute resolution process as required by the Chapter;
- implemented a national consumer awareness campaign including:
 - a focus on fraud in the telemarketing and the loan brokerage businesses, and
 - the preparation, publication and distribution of a consumer handbook;
- finalized negotiation of a Cooperative Enforcement Agreement.

During this reporting period, the Parties have:

- continued work to implement the agenda for future cooperative action on consumer issues including:
 - electronic commerce,
 - market-based consumer redress,
 - alternative consumer credit markets, and
 - collection agencies.

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In the year ahead the Parties intend to:

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

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 reviewed the scope and coverage of the Chapter to broaden coverage and further liberalize internal trade in agricultural and food goods;
- 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,

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- 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.

During this reporting period, the Parties have:

- continued to review the scope and coverage of the Chapter to broaden coverage and further liberalize internal trade in agricultural and food goods;
- 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

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- C established procedures for ensuring transparency when measures are adopted or amended.

Prior to this reporting period, the Parties had:

- C reviewed Ontario's Canadian grape content requirements which Ontario committed to remove 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 reviewed and reconciled the definition of "wine and wine products" and 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.

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

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- 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.

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.

In the year ahead the Parties intend to:

- C complete negotiations and facilitate adoption of the Energy Chapter.

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Communications (Chapter Thirteen)

When the Agreement came into effect, it:

- 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
- established a consultation process for the Parties.

Prior to this reporting period, the Parties have:

- eliminated 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.

In the year ahead the Parties intend to:

- remove Article 1305: Saskatchewan Provision from the Chapter by means of a protocol of amendment.

Transportation (Chapter Fourteen)

When the Agreement came into effect, it:

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

Prior to this reporting period, the Parties had:

- revised standard motor carrier safety rules;
- completed a regulatory review;

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- liberalized trade in urban bus procurement;
- deleted the obligation to extend the Chapter to local governments;
- eliminated extraprovincial truck carrier operating authorities;
- 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;
- developed an implementation plan on the future regulation of the intercity bus industry;
- made progress in improving the uniformity of requirements for travel under special permit authorities; and
- reviewed exempt measures listed in Annex 1410.1.

During this reporting period, the Parties have:

- advanced work on developing more uniform standards on weights and dimensions;
- approved the National Safety Code Standard 14 - Compliance Review Safety Rating; and
- begun a review of the National Safety Code Standards on Hours of Service and Load Security.

In the year ahead the Parties intend to:

- develop more uniform standards on weights and dimensions;
- continue implementing the National Safety Code Standard 14 - Compliance Review Safety Rating;
- review exempt measures listed in Annex 1410.1;
- continue to review proposals on deregulating the intercity bus industry; and
- continue to review National Safety Code Standards on Hours of Service and Load Security.

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Environmental Protection (Chapter Fifteen)

When the Agreement came into effect, it:

- committed Parties to taking environmental considerations into account when dealing with trade matters;
- 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;
- confirmed the right of Parties to establish their own levels of environmental protection;
- committed the Parties to harmonizing environmental measures;
- committed Parties to phasing out measures that do not conform to the Agreement; and
- established a consultation process for the Parties.

Prior to this reporting period, the Parties had:

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

During this reporting period, the Parties have:

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

In the year ahead, the Parties intend to:

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

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Institutional Provisions (Chapter Sixteen)

When the Agreement came into effect, it:

- 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:

- established the Internal Trade Secretariat, funded by all Parties, and appointed a Secretary;
- established the Committee on Internal Trade which met four times;
- prepared the Annual Reports for 1995-96, 1996-97, 1997-98 and 1998-99; and
- established a Working Group on Adjustment comprised of Internal Trade Representatives.

During this reporting period, the Parties have:

- planned for the annual meeting of the CIT;
- held four meetings and five conference calls of the Internal Trade Representatives; and
- published the Annual Reports for the years 1999-2000 and 2000-01.

In the year ahead the Parties intend to:

- hold the annual meeting of the Committee on Internal Trade; and
- prepare the 2001-2002 Annual Report.

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Dispute Resolution Procedures (Chapter Seventeen)

When the Agreement came into effect, it:

- 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;
- 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
- 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:

- initiated the compilation of a Roster of Panellists to be used for selecting members of a dispute resolution panel;
- approved panel Rules of Procedure;
- 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;
- developed operational guidelines for Panels;
- established a Code of Conduct for panellists.; and
- received the approval of the Committee on Internal Trade for amendments to the procedures covering the operation of dispute panels and put into effect these amended procedures.

During this reporting period, the Parties have:

- received 28 disputes that were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 15 had been addressed by year end and 13 were pending. Since the coming into force of the AIT in July 1995, there have been a total of 152 disputes filed to date of which 122 have been resolved, 10 have been withdrawn or are inactive, and 20 are pending. Further, the average length of time to dispose of a dispute has been steadily dropping from 6.2 months in 1995/96 to 4.2 months for those initiated in the current reporting period with an average of 4.3 months over the period since the coming into force of the AIT; and

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- revised the operational guidelines for Panels.

In the year ahead the Parties intend to:

- finalize the Roster of Panellists; and
- 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;
- agreed to review the process of annual reporting on programs relating to regional economic development to increase the usefulness of the reports; and
- launched a public consultations project to assist the Parties in identifying pragmatic and useful ways for improving internal trade, notably through the Agreement on Internal Trade (AIT).

During this reporting period, the Parties have:

- completed the second and final phase of the public consultation project by holding a national conference, edited the proceedings of the conference and prepared the report on the overall consultations project.

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In the year ahead the Parties intend to:

- review the annual reporting requirements relative to regional economic development programs; and
- review the effectiveness of existing mechanisms for provincial consultation and participation in various international agreements.

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4) For More Information...

A) Contact the Internal Trade Secretariat

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B) Contact an Internal Trade Representative²

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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: tfleming@mail.gov.nf.ca
Nova Scotia	Greg Bent Economic Development 1800 Argyle St., Suite 520 Halifax NS B3J 2R7	Tel: (902) 424-8669 Fax: (902) 424-1263 E-mail: Gbent@gov.ns.ca
New Brunswick	Harry Quinlan Business New Brunswick P.O. Box 6000 Room 577, 670 King Street Fredericton NB E3B 5H1	Tel: (506) 444-5011 Fax: (506) 444-5299 E-mail: harry.quinlan@gnb.ca

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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/Territorial 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 ³

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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.

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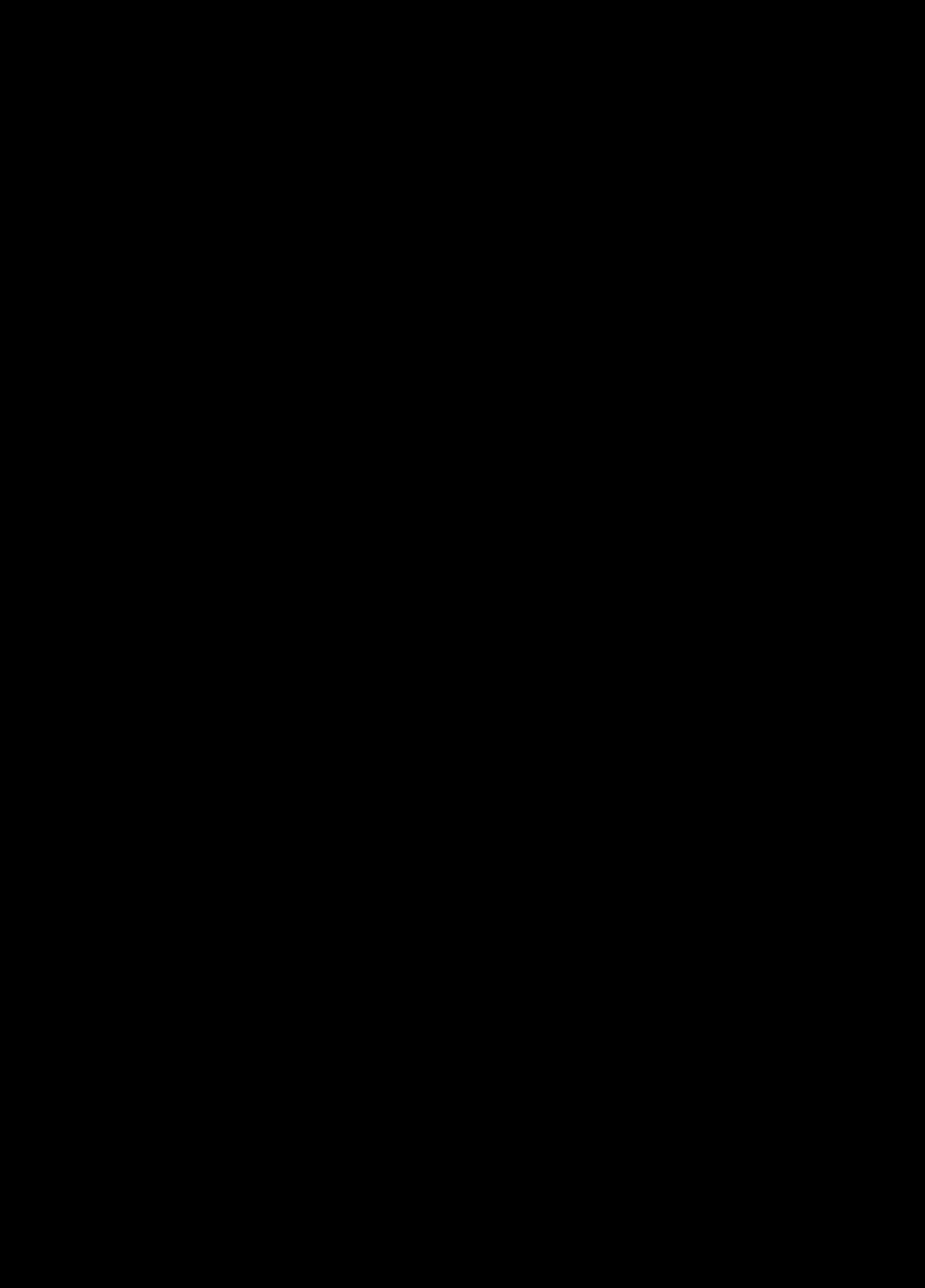
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³ as of October 2002

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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*
01/02-5-5-COR COR	February 02	5	Enterprise licence	Corel Corporation	Canada	CITT	Pending	Pending	P-OG
01/02-5-FOU SY2	February 02	5	Networking/tele-communications equipment	Foundry Networks Inc.	Canada	CITT	Pending	Pending	P-OG
01/02-5-ACM MAN	January 02	5	Senior life cycle technologist services	ACMG Management Inc.	Canada	CITT	Pending	Pending	P-OG
01/02-5-FOU SY1	December 01	5	Networking equipment	Foundry Networks Inc.	Canada	CITT	Upheld	March 02	P-OG
01/02-5-AVI SOL	December 01	5	Software maintenance and support	Aviva Solutions Inc.	Canada	CITT	Pending	Pending	P-OG
01/02-5-DRS TEC	December 01	5	Communication s management system	DRS Technologies Inc.	Canada	CITT	Pending	Pending	P-OG
01/02-5-CMC ELE	December 01	5	Communication s management system	CMC Electronics Inc.	Canada	CITT	Pending	Pending	P-OG
01/02-5-PAP PLA	November 01	5	Supply of trunk lockers	Papp Plastics & Distributing Limited	Canada	CITT	Upheld	January 02	P-OG
01/02-5-JOH SY1	October 01	5	Automatic translation system	John Chandieux experts-conseils inc.	Canada	CITT	Denied	February 02	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
01/02-5-JOH SY2	October 01	5	Automatic translation system	John Chandioux experts-conseils inc.	Canada	CITT	Upheld	February 02	P-OG
01/02-5-HEW SY1	October 01	5	Consolidation plan for UNIX server services	Hewlett-Packard (Canada) Ltd.	Canada	CITT	Upheld	February 02	P-OG
01/02-5-HEW SY2	October 01	5	Consolidation plan for UNIX server services	Hewlett-Packard (Canada) Ltd.	Canada	CITT	Denied	February 02	P-OG
01/02-5-CFI IND	October 01	5	Diesel generator power system	C.F. Industrial Products Inc.	Canada	CITT	Denied	January 02	P-OG
01/02-5-DIV DAT	October 01	5	Local area network services	Diversicomm Data Systems	Canada	CITT	Denied	January 02	P-OG
01/02-5-PRE PHI	October 01	5	Humidifier units	Preston Phipps Inc.	Canada	CITT	Upheld	January 02	P-OG
01/02-5-COG INC	October 01	5	Executive information system	Cognos Incorporated	Canada	CITT	Upheld	February 02	P-OG
01/02-5-PTI SER	September 01	5	Food and food services	PTI Services	Canada	CITT	Upheld	November 01	P-OG
01/02-5-MCN CON	September 01	5	Jet-propelled boat	McNally Construction Ltd.	Canada	CITT	Upheld	December 01	P-OG
01/02-5-EMP NET	August 01	5	Network management reporting software	Empowered Networks	Canada	CITT	Denied	December 01	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
01/02-5- BEL NEX	July 01	5	Telephone equipment and management system	Bell Nexxia	Canada	CITT	Denied	October 01	P--OG
01/02-5-EUR SUP	April 01	5	Hewlett-Packard server systems	Eurodata Support Services Canada	Canada	CITT	Denied	July 01	P--OG
00/01-5-TABCAN	March 01	5	High density Mobile filing system	TAB Canada	Canada	CITT	Upheld	July 01	P--OG
00/01-5-P&LCOM (2)	March 01	5	Electronic news monitoring service	P&L Communication	Canada	CITT	Upheld	August 01	P--OG
00/01-5-LEX CAN	March 01	5	Printers and accessories	Lexmark Canada inc.	Canada	CITT	Upheld	March 01	P--OG
00/01-5-FOU NET2	March 01	5	Ethernet switching equipment	Foundry Networks	Canada	CITT	Denied	June 01	P--OG
00/01-5-CIF SYS	February 01	5	Notebook computers	Cifelli Systems Corporation	Canada	CITT	Upheld	June 01	P--OG
00/01-5-P&L COM	February 01	5	Electronic media monitoring System	P&L Communication Inc.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-FOU NET1	February 01	5	Internetworking equipment	Foundry Networks	Canada	CITT	Upheld	May 01	P--OG
00/01-5-WES INC	February 01	5	Dual sensor infrared system	Wescam inc.	Canada	CITT	Upheld	May 01	P--OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
00/01-5-POL INF6	January 01	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Withdrawn	May 01	P--OG
00/01-5-POL INF5	December 00	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-POL INF4	December 00	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-POL INF3	December 00	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-POL INF2	December 00	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-POL INF1	December 00	5	Rigid hull inflatable boats	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	May 01	P--OG
00/01-5-THE SPA	December 00	5	Personnel for Shuswap fish hatchery	The Spallumcheen Band	Canada	CITT	Denied	April 01	P--OG
00/01-5-BAN CAN	November 00	5	Image scanning, storage and retrieval system	Banctec Canada Inc.	Canada	CITT	Upheld	February 01	P--OG
00/01-5-CAN HEL	November 00	5	Lease for 3 helicopters	Canada Helicopters Ltd.	Canada	CITT	Denied	February 01	P--OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
00/01-5-SIE WES	November 00	5	In-service support for Halifax and Iroquois class ships	Siemens Westinghouse Inc.	Canada	CITT	Upheld	Mars 01	P--OG
00/01-5-COM TAL	October 00	5	Interactive voice response system	Computer Talk Technology Inc	Canada	CITT	Denied	February 01	P--OG
00/01-9-CLO LEA	October 00	9	Imitation Dairy Products	Alberta [A soya product distributor]	Ontario	Request for Chap. 9 consults	Pending	Pending	G-G(P)
00/01-5-GLO UPH	August 00	5	Desk Product Components	Global Upholstery Co. Inc.	Canada	CITT	Denied	November 00	P--OG
00/01-5-KLO CON	July 00	5	Construction of Landfill Site	K-Lor Contractors Services Ltd.	Canada	CITT	Denied	November 00	P--OG
00/01-9-CAN SAL	July 00	9	Imitation dairy products	British Columbia (A distributor of soya loaf products)	Ontario	Consults reactivated	Pending	Pending	G-G(P)
00/01-5-ATT CAN	July 00	5	ATM Service Providers	AT&T Canada Corp.	Canada	CITT	Upheld	November 00	P--OG
00/01-5-BRO LEP	June 00	5	Facility and Project Management	Brookfield, Lepage, Johnson Controls Facility Management Services	Canada	CITT	Upheld	September 00	P--OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
00/01-5-XWA SOL	June 00	5	Security and Police Info System	Xwave Solutions Inc.	Canada	CITT	Denied	September 00	P--OG
00/01-5-TEL INT 2	June 00	5	Telecommunications Renewal Project	Telus Integrated Communication Inc.	Canada	CITT	Denied	November 00	P--OG
00/01-5-TEL INT	June 00	5	Installation of telephones	Telus Integrated Communication Inc.	Canada	CITT	Upheld	November 00	P--OG
00/01-5-WES STA	June 00	5	Provision of heavy trucks	Western Star Trucks Inc.	Canada	CITT	Denied	September 00	P--OG
00/01-5-THO CSF	May 00	5	Global Maritime Distress and safety System Services	Thomson-CSF Systems Canada Inc.	Canada	CITT	Denied	October 00	P--OG
00/01-5-CAN COM	May 00	5	Lease of hardware and service components	Canadian Computer Rentals	Canada	CITT	Upheld	August 00	P--OG
00/01-5-CRA DRU	May 00	5	Printing and Insertion Services	Crain-Drummond Inc.	Canada	CITT	Denied	August 00	P--OG
00/01-5-FMD INT	May 00	5	Professional Services for a Fish Habitat and Navigation Program Review	FMD International Inc.	Canada	CITT	Denied	August 00	P--OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
00/01-5-RAD POI	April 00	5	Hardware and Service Components	Radiant Point Ltd.	Canada	CITT	Upheld	September 00	P--OG
00/01-5-KIL ASS	April 00	5	Management and Administration Services	Kildonan Associates Ltd.	Canada	CITT	Denied	July 00	P-OG
99/00-5-ACE DEF	March 00	5	Window Security Film Installation	Ace/Clear Defense Inc.	Canada	CITT	Upheld	June 00	P-OG
99/00-7-KEN NF	March 00	7	Hunting Guides	Nova Scotia	Newfoundland	Ch. 7 consults	Pending (NF agreed to review policy)	Pending	G-G(P)
99/00-7-KEN NB	March 00	7	Hunting Guides	Nova Scotia	New Brunswick	Ch. 7 consults	Upheld	June 01	G-G(P)
99/00-10-NSL COM	March 00	10	NSLC	Quebec (Quebec Brewers)	Nova Scotia	Chapter 10 Consults	Inactive	Inactive	G-G(P)
99/00-5-UNI TEC	December 99	5	Mobile Laundry and Bathtub Units	Unisource Technology	Canada	CITT	Denied	April 00	P-OG
99/00-5-EDU TRA	December 99	5	Information Technology	EDUCOM Training Systems Inc.	Canada	CITT	Denied	May 00	P-OG
99/00-5-BRE MOO	December 99	5	Meetings Management Services	Brent Moore and Associates	Canada	CITT	Denied	May 00	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
99/00-7-CGA MAN	December 99	7	Mobility Of CGAs	Certified General Accountants Association of Manitoba	Ontario	Chapter 17 Panel	Upheld	October 01	P-G
99/00-5-DR LUI	November 99	5	Consumer Research	Dr. John Luik	Canada	CITT	Upheld	March 00	P-OG
99/00-5-QUA SER	October 99	5	Life Cycle Technologist	Quatratech Services	Canada	CITT	Denied	January 00	P-OG
99/00-5-MIL FLE	October 99	5	DND In Service Support	MIL Systems Fleetway Inc	Canada	CITT	Upheld	March 00	P-OG
99/00-5-BMC CON	August 99	5	Prof. Logistician Services	BMCI Consulting	Canada	CITT	Denied	October 99	P-OG
99/00-5-ALC CAN	August 99	5	Cable plant	Alcatel Canada Wire	Canada	CITT	Upheld	November 99	P-OG
99/00-5-MET EXC	July 99	5	Dredging Services	Méto Excavation/ Entreprise Marissa	Canada	CITT	Denied	November 99	P-OG
99/00-5-IBM CAN	July 99	5	PWGSC Mainframes	IBM Canada	Canada	CITT	Upheld	November 99	P-OG
99/00-5-LIF LIM	July 99	5	Forklift Trucks	Liftow Limited	Canada	CITT	Denied	October 99	P-OG
99/00-5-AMT POW	July 99	5	CSE Emergency Generator	Am-Tech Power Systems	Canada	CITT	Denied	September 99	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*

Request for

Binding

SPONSORING
G-G(G) GNT CON

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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-DEL TOU	February 99	5	RCMP Resource Review	Deloitte & Touche Consulting	Canada	CITT	Denied	May 99	P-OG
98/99-5-NOV CAN	February 99	5	DND Servers	Novell Canada	Canada	CITT	Upheld	June 99	P-OG
98/99-5-ITS ELE	January 99	5	Radar Jamming Systems	ITS Electronics	Canada	CITT	Denied	Apr-99	P-OG
98/99-5-MIL SYS	January 99	5	Logistics Concept Study	MIL Systems	Canada	CITT	Upheld	April 99	P-OG
98/99-5-WES CAM	January 99	5	Infrared Imaging Systems	Wescam Inc.	Canada	CITT	Upheld	April 99	P-OG
98/99-5-COU AVI	January 99	5	Aerial Surveillance	Cougar Aviation Ltd.	Canada	CITT	Denied	June 99	P-OG
98/99-7-COL OPT	January 99	7	College of Opticians (BC)	Alberta	British Columbia	Chapter consults	Inactive	Inactive	G-G(P)
98/99-5-SER ST2	November 98	5	DND Janitor Services 2	Service Star Building Cleaning	Canada	CITT	Denied	February 99	P-OG
98/99-5-POL BT1	November 98	5	Inflatable Boats Procurement 1	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	March 99	P-OG
98/99-5-POL BT2	November 98	5	Inflatable Boats Procurement 2	Polaris Inflatable Boats (Canada) Ltd.	Canada	CITT	Upheld	March 99	P-OG
98/99-5-SER ST1	October 98	5	DND Janitor Services	Service Star Building Cleaning	Canada	CITT	Upheld	January 99	P-OG
98/99-5-HEA TEC	September 98	5	DND Heating Systems	M.D. Heat Tech Inc.	Canada	CITT	Denied	December 98	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
98/99-9-FCD PEI	August 98	9	Fluid Milk Distribution	Nova Scotia (A Dairy)	Prince Edward Island	Mutual Agreement between Parties	Upheld	January 00	G-G(P)
98/99-5-COR COR	June 98	5	Revenue Canada Y2K	Corel Corporation	Canada	CITT	Upheld	October 98	P-OG
98/99-5-PRE DAT	May 98	5	HRDC Data Entry	Premium DataScan Services	Canada	CITT	Denied	August 98	P-OG
98/99-5-LOT DEV	May 98	5	DFAIT Global Network	Lotus, Novell, Netscape	Canada	CITT	Not subject to AIT	August 98	P-OG
98/99-5-INS GLO	May 98	5	HRD Moving	Installation Globale Normand Morin & Fils	Canada	CITT	Upheld	August 98	P-OG
98/99-7-CGA SK	May 98	7	Mobility of CGAs	Saskatchewan (A professional association)	Ontario	Request to carry forward	Request renewed April 13 00	Inactive	G-G(P)
98/99-9-FCD NB	April 98	9	Fluid Milk Distribution	Nova Scotia (A Dairy)	New Brunswick	Request for Panel	Pending	Pending	G-G(P)
97/98-5-BEL CAN	March 98	5	Govt. Telecom Services	Bell Canada	Canada	CITT	Upheld	July 98	P-OG
97/98-10-NBL BEE	March 98	10	Beer Entry	Quebec	New Brunswick	Chap. consults	Inactive	Inactive	G-G
97/98-5-FLO IND	February 98	5	DND videoprobes	Flolite Industries	Canada	CITT	Denied	May 98	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
97/98-5-SOC ODE	January 98	5	Guatemala consulting	Societe de cooperation	Canada	CITT	Denied	April 98	P-OG
97/98-5-TAC TEC	January 98	5	Missile Defence Simulation	Tactical Technologies	Canada	CITT	Upheld	April 98	P-OG
97/98-5-WAN CAN	December 97	5	National Revenue	Wang Canada	Canada	CITT	Upheld	March 98	P-OG
97/98-5-FRO COR	December 97	5	Goose Bay Services	Frontec Corporation	Canada	CITT	Denied	May 98	P-OG
97/98-5-IBM CAN	December 97	5	Data warehouse services	IBM Canada	Canada	CITT	Upheld	April 98	P-OG
97/98-5-NOT ENV	October 97	5	Ammo Disposal	NOTRA Environmental	Canada	CITT	Denied	December 97	P-OG
97/98-9-UNI LEV	October 97	9	Margarine Colouring	Ontario	Quebec	Request for Panel	Pending	Pending	G-G(P)
97/98-5-TRA IND	September 97	5	Armoured Vehicles	Trac Industries	Canada	CITT	Not subject to the AIT	November 97	P-OG
97/98-5-OCE INC	September 97	5	Snow Crab Software	Océanide Inc.	Canada	CITT	Not subject to the AIT	November 97	P-OG
97/98-5-DMR CON	June 97	5	Firearm Registration	DMR Consulting	Canada	CITT	Denied	September 97	P-OG
97/98-5-HOV MAN	April 97	5	Army Tents	Hovey Manufacturing	Canada	CITT	Denied	July 97	P-OG
97/98-15-MMT	April 97	15	MMT	Alberta, Quebec Saskatchewan, Nova Scotia as Intervenors	Canada	Chapter 17 Panel	Measure removed	July 98	G-G

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
96/97-5-ATL SAF	March 97	5	Argentia remediation	Atlantic Safety Centre	Canada	CITT	Denied	May 97	P-OG
96/97-5-MIR INT	March 97	5	Justice Headquarters	Mirtech International Security	Canada	CITT	Denied	June 97	P-OG
96/97-5-HER POM	March 97	5	NRC Facility Design	Hervé Pomerleau Inc.	Canada	CITT	Denied	May 97	P-OG
96/97-5-ACC CON	March 97	5	Teleconference services	Accutel Conferencing Systems	Canada	CITT	Upheld	June 97	P-OG
96/97-7-NF DEN	February 97	7	NF Denturists	Nova Scotia	Newfoundland	Chapter Assistance	Upheld	September 98	G-G(P)
96/97-5-PHI ENV	January 97	5	Snag Airstrip	Philip Environmental	Canada	CITT	Upheld	April 97	P-OG
96/97-5-HEW RAN	December 96	5	[computer company]	[computer company]	Saskatchewan	Screener	Denied	January 98	P-OG
96/97-5-BEL CAN	November 96	5	military messagesystem	Bell Canada	Canada	CITT	Denied	February 97	P-OG
96/97-10-SPA	September 96	10	[wine products]	British Columbia	Quebec	Chapter Consults	Withdrawn	October 96	G-G
96/97-7-BUL	September 96	7	[dental assistant]	Alberta	Manitoba	Chapter Assistance	Inactive	Inactive	G-G(P)
96/97-7-GIM	July 96	7	[medical services]	Alberta	Saskatchewan	Screener	Denied	November 96	P-OG
96/97-7-CRE	May 96	7	[embalmer]	Alberta	Saskatchewan	Chapter Consults	Withdrawn	May 96	G-G(P)

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
95/96-5-EMC EMA	March 96	5	Tempest computers 2	Emcon Emanation Control	Canada	CITT	Denied	June 96	P-OG
95/96-5-EQU IND	March 96	5	Équipement Industriel	Équipement Industriel Champion	Canada	CITT	Denied	June 96	P-OG
95/96-5-FPG HRI	March 96	5	Banff Cadet Centre	FPG/HRI Joint Venture	Canada	CITT	Upheld	June 96	P-OG
95/96-5-SEC TEC	March 96	5	Tempest computers 1	Secure Technologies Intl.	Canada	CITT	Upheld	June 96	P-OG
95/96-7-ONT BIL	March 96	7	Ontario Billing Numbers	Alberta	Ontario	Request for Information	Withdrawn	April 96	G-G(P)
95/96-5-ARR SY1	January 96	5	Array Systems 1	Array Systems Computing	Canada	CITT	Upheld	April 96	P-OG
95/96-5-ARR SY2	January 96	5	Array Systems 2	Array Systems Computing	Canada	CITT	Denied	March 96	P-OG
95/96-5-CAB	December 95	5	Cabletron	Cabletron Systems	Canada	CITT	Denied	March 96	P-OG
95/96-5-ONT CER	October 95	5	Ontario Cert. of Approval	Alberta	Ontario	Request for Information	Not subject to the AIT	April 96	G-G
95/96-7-AB MUN	October 95	7	Alberta Municipal Government Act	British Columbia	Alberta	Request for Information	Not subject to the AIT	October 95	G-G
95/96-5-AME DAT	September 95	5	AmeriData	AmeriData Canada	Canada	CITT	Denied	February 96	P-OG

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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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*
95/96-7-TAY	September 95	7	[chartered accountant]	Ontario	Saskatchewan	1711 Request for proceedings	Not subject to the AIT	August 96	P-OG
95/96-7-ONT EMC	September 95	7	Ontario EMCA	Alberta	Ontario	Chapter Consults	Upheld	March 97	G-G(P)
95/96-5-NWT TEN	July 95	5	Northwest Territories Tender	Alberta	Northwest Territories	Request for Information	Upheld	February 96	G-G
95/96-6-UPS	July 95	6	UPS	British Columbia	New Brunswick	Ch. 17 Assistance	Withdrawn	November 96	G-G
95/96-7-VAN RES	July 95	7	Vancouver Residency	Alberta	British Columbia	Request for Information	Upheld	July 95	G-G

* Legend: P-OG person to own government; G-G(P) government to government requested by private party; G-G government to government

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SUMMARY STATISTICS

Disputes By Chapter

Chapter	Disposition at Last Stage					Total
	Upheld	Denied	Not subject to the AIT	Withdrawn by complainant or inactive	Pending	
5 - federal	53	52	3	1	13	122
5 - provincial	1	1	1	0	2	5
6	0	0	0	1	0	1
7	5	1	2	5	1	14
9	1	1	0	0	4	6
10	0	0	0	3	0	3
14	0	0	0	0	0	0
15	1	0	0	0	0	1
Unknown/Not Identified	0	0	0	0	0	0
Total	61	55	6	10	20	152

Definition of Status

Upheld	Complaining Party wins its case, either by getting the defending Party to offer a remedy or by a formal judgement of a dispute panel or the Canadian International Trade Tribunal (CITT).
Denied	Complaining Party loses its case by a formal judgement of a screener, dispute panel or the CITT
Not subject to the AIT	The complaint does not fall within the scope of the AIT, decided by either the decision of a screener, dispute panel, or the CITT, or by mutual consent of the Parties.
Withdrawn by complainant or inactive	The complaining Party withdraws the complaint for unspecified reasons (withdrawn), or no contact between the Parties occurs for more than one year and Parties declare the file no longer active (inactive).
Pending	The complaint is still active but does not fit one of the former four categories.

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Disputes By Year

Year of Initiation of Dispute	Disposition at Last Stage					Total
	Upheld	Denied	Not subject to the AIT	Withdrawn by complainant or inactive	Pending	
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	2	1	22
99/00	9	11	0	1	3	24
00/01	19	13	0	1	2	35
01/02	8	7	0	0	13	28
Total	61	55	6	10	20	152

Definition of Status

Upheld	Complaining Party wins its case, either by getting the defending Party to offer a remedy or by a formal judgement of a dispute panel or the Canadian International Trade Tribunal (CITT).
Denied	Complaining Party loses its case by a formal judgement of a screener, dispute panel or the CITT
Not subject to the AIT	The complaint does not fall within the scope of the AIT, decided by either the decision of a screener, dispute panel, or the CITT, or by mutual consent of the Parties.
Withdrawn by complainant or inactive	The complaining Party withdraws the complaint for unspecified reasons (withdrawn), or no contact between the Parties occurs for more than one year and Parties declare the file no longer active (inactive).
Pending	The complaint is still active but does not fit one of the former four categories.

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Average Length of Time to Disposition

Year of Initiation of Dispute	Average Length of Time to Disposition in Months	Number of Disputes (for which Initiation and Disposition months are both known)	Number of Disputes Pending or Inactive	Total Number of Disputes
01/02	4.2	15	13	28
Total 95/96 to 01/02	4.3	122	30	152

OUTSTANDING OBLIGATIONS ⁵

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 October 2002 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.

⁵ as of October 2002

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TABLE A: OUTSTANDING OBLIGATIONS - GENERAL ⁶

CHAPTER FIVE: PROCUREMENT				
Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
517.1	Negotiate to reduce the number of government entities excluded from the chapter.	July 1, 1996	Procurement Negotiating Table	Ongoing; text of Annex approved by CIT and finalization of the lists of entities remains to be completed.
<i>OBLIGATIONS TO REVIEW</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
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, YK, NT, PE and NF	CA, BC, YK and NF have completed. NT review in progress.

⁶ As of October 31, 2002

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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 provisions	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

RECURRING OBLIGATIONS

511.6	Prepare advertisement in a suitable newspaper format on procurement procedures for the Parties to publish.	Annually	Secretariat	Completed for 2002
508.4 (a)	Prepare annual report of non-conforming procurement policies and programs.	Annually	Each Party	99/00 PE missing 00/01 NT, PE and YK missing

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511.1	Prepare annual report on procurement by 502.1A entities.	Annually	Each Party	95/96 NT missing 96/97 NS and ON missing 98/99 NT missing 99/00 PE, MB and NT missing 00/01 PE, ON, MB, SK, NT, YK and CA missing
511.3 508.1 506.11 506.12	Prepare annual report on excluded procurement above threshold value.	Annually	Each Party	<u>Article 506</u> 95/96 NT missing 96/97 NS and ON missing 98/99 NT missing 99/00 PE, MB and NT missing 00/01 PE, ON, MB, SK, NT, YK and CA missing <u>Article 508.1</u> 95/96 NT missing 96/97 NS and ON missing 98/99 SK and NT missing 99/00 PE, MB and NT missing 00-01 PE, ON, MB, SK, NT, YK and CA missing

ADMINISTRATIVE OBLIGATIONS

513.7	Advise Secretariat of procurement panellists.	July 1, 1995	Each Party	SK and ON missing
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CHAPTER 6: INVESTMENT

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
606	Reconcile extra-provincial corporation registration and reporting requirements.	No date	Working Group on Investment	Completed. Requirements reconciled through Annex 606. Parties have developed an electronic Gateway to corporate registries (REGISTREX) to facilitate implementation.
615(d)	Clarify and improve Code of Conduct on Incentives.	No date	Working Group on Investment	Ongoing
<i>OBLIGATIONS TO REVIEW</i>				
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	Completed for 2002.
<i>RECURRING OBLIGATIONS</i>				
615(b)	Prepare an annual report on incentives to be submitted to the CIT.	Annually	Working Group on Investment	<u>Summary Report</u> 96/97 impossible to complete due to incompatible data 99/00 awaiting data from Parties 00/01 awaiting data from Parties 01/02 awaiting data from Parties Currently awaiting incentives reports from Parties: 98/99 PE missing 99/00 PE, NS and ON missing 00/01 NF, PE, NS, ON, MB, NT and YK missing

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ADMINISTRATIVE OBLIGATIONS

All obligations have been met.

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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. 42 of 51 regulated occupations have agreed or substantially agreed to conditions under which mobility will be facilitated.
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.				
<i>RECURRING OBLIGATIONS</i>				
712.1 (c)	Produce an annual report on the chapter to be submitted to CIT.	Annually	Forum of Labour Market Ministers	2000/2001 missing 2001/2002 missing
<i>ADMINISTRATIVE OBLIGATIONS</i>				
All obligations have been met.				

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CHAPTER 8: CONSUMER-RELATED MEASURES

Article	Outstanding Obligations	Timing	Responsibility	Status
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OBLIGATIONS TO NEGOTIATE

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	Complete except for passage of legislation by some Parties to harmonize cost of credit disclosure.
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OBLIGATIONS TO REVIEW

All obligations have been met.				
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RECURRING OBLIGATIONS

809.2 (e)	Produce an annual report on the chapter to be submitted to the CIT.	Annually	Committee on Consumer-Related Measures and Standards	<u>Annual</u> 2001/2002 missing
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ADMINISTRATIVE OBLIGATIONS

All obligations have been met.				
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CHAPTER 9: AGRICULTURAL AND FOOD GOODS

Article	Outstanding Obligations	Timing	Responsibility	Status
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OBLIGATIONS TO NEGOTIATE

All obligations have been met.

OBLIGATIONS TO REVIEW

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

RECURRING OBLIGATIONS

All obligations have been met.

ADMINISTRATIVE OBLIGATIONS

All obligations have been met.

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CHAPTER 10: ALCOHOLIC BEVERAGES

Article	Outstanding Obligations	Timing	Responsibility	Status
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OBLIGATIONS TO NEGOTIATE

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

OBLIGATIONS TO REVIEW

All obligations have been met.				
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RECURRING OBLIGATIONS

1012	Produce an annual report to be submitted to the CIT.	Annually	Parties	2001-2002 missing
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ADMINISTRATIVE OBLIGATIONS

All obligations have been met.				
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CHAPTER 11: NATURAL RESOURCES PROCESSING

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>				
All obligations have been met.				

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CHAPTER 12: ENERGY

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</i>				
1810.2	Complete and adopt a chapter on energy.	July 1, 1995	Parties	Ongoing; draft chapter approved - regional economic development referred to CIT.
<i>OBLIGATIONS TO REVIEW</i>				
not applicable				
<i>RECURRING OBLIGATIONS</i>				
not applicable				
<i>ADMINISTRATIVE OBLIGATIONS</i>				
not applicable				

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CHAPTER 13: COMMUNICATIONS

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>				
				All obligations have been met.

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CHAPTER 14: TRANSPORTATION

Article	Outstanding Obligations	Timing	Responsibility	Status
<i>OBLIGATIONS TO NEGOTIATE</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
1408.1	Motor Carrier Safety Code - implement National Safety Code : <ul style="list-style-type: none"> - hours of service - security of loads - commercial vehicle maintenance - on-road inspections - trip inspections - compliance review - safety ratings - facility audits 	January 1, 1996	Parties	<ul style="list-style-type: none"> Ongoing; proposal endorsed by ministers Ongoing; model standard adopted Ongoing; changes proposed Ongoing; changes proposed Ongoing; changes proposed Standard approved Ongoing; standard near approval

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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 Responsible for Transportation and Highway Safety	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	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	Ongoing

OBLIGATIONS TO REVIEW

All obligations have been met.

RECURRING OBLIGATIONS

1415.1	Prepare an annual report on progress.	Annually	Council of Ministers	2001-2002 missing
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ADMINISTRATIVE OBLIGATIONS

All obligations have been met.

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

CHAPTER 15: ENVIRONMENTAL PROTECTION

Article	Outstanding Obligations	Timing	Responsibility	Status
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OBLIGATION TO NEGOTIATE

1508	Harmonize environmental measures.	No date	Parties	Ongoing; three sub-agreements being worked on.
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OBLIGATIONS TO REVIEW

All obligations have been met.				
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RECURRING OBLIGATIONS

1509.2	Prepare annual report to be submitted to the CIT.	Annually	Canadian Council of Ministers of the Environment	2001-2002 missing
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ADMINISTRATIVE OBLIGATIONS

All obligations have been met.				
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INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

CHAPTER 16: INSTITUTIONAL PROVISIONS

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

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

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	PE, NB, ON, SK and YK missing
1713.1	Advise Secretariat of screeners.	July 1, 1995	Each Party	PE, NB and SK missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

CHAPTER 18: FINAL PROVISIONS

Article	Outstanding Obligations	Timing	Responsibility	Status
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OBLIGATIONS TO NEGOTIATE

All obligations have been met.

OBLIGATIONS TO REVIEW

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	Ongoing

RECURRING OBLIGATIONS

1801.3 (c)	Report annually on regional economic development programs.	Annually	Each Party	96/97 PE missing 98/99 ON and YK missing 99/00 ON and YK missing 00/01 ON and YK 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	NF, NB, BC and CA have complied.

ADMINISTRATIVE OBLIGATIONS

All obligations have been met.

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

TABLE B: OUTSTANDING OBLIGATIONS BY PARTY ⁷

CANADA

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
511.1	Annual report on procurement by 502.1A entities.	Annually	2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	2000-2001 missing
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing

BRITISH COLUMBIA

Article	Outstanding Obligation	Timing	Status
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing

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as of October 31, 2002

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

ALBERTA

Article	Outstanding Obligation	Timing	Status
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing

SASKATCHEWAN

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
508.1	Annual report on procurement excluded for regional economic development programs.	Annually	1998-1999 missing
511.1	Annual report on procurement by 502.1A entities.	Annually	2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	2000-2001 missing
513.7	Advise Secretariat of procurement panellists.	34880	Missing
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing
Chapter 17: Dispute Resolution			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	34880	Missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

MANITOBA

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
511.1	Annual report on procurement by 502.1A entities.	Annually	1999-2000 missing 2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1999-2000 missing 2000-2001 missing
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2000-2001 missing 2001-2002 missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

ONTARIO

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
511.1	Annual report on procurement by 502.1A entities.	Annually	1996-1997 missing 2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1996-1997 missing 2000-2001 missing
513.7	Advise Secretariat of procurement panellists.	34880	Missing
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	1999-2000 missing 2000-2001 missing 2001-2002 missing
Chapter 17: Dispute Resolution			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
Chapter 18: Final Provisions			
1801.3(c)	Report annually on regional economic development programs.	Annually	1998-1999 missing 1999-2000 missing 2000-2001 missing
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 2001-2002 ANNUAL REPORT

QUEBEC

Article	Outstanding Obligation	Timing	Status
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing
Chapter 18: Final Provisions			
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

NEW BRUNSWICK

Article	Outstanding Obligation	Timing	Status
Chapter 6: Investment			
615(b)	Annual Reports on Incentives.	Annually	2001-2002 missing
Chapter 17: Dispute Resolution			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	July 1, 1995	Missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

NOVA SCOTIA

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
511.1	Annual report on procurement by 502.1A entities.	Annually	1996-1997 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1996-1997 missing
Chapter 6: Investment			
615(b)	Annual Report on Incentives.	Annually	1999-2000 missing 2000-2001 missing 2001-2002 missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

PRINCE EDWARD ISLAND

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
508.4(a)	Annual report on non-conforming procurement policies and programs.	Annually	1999-2000 missing 2000-2001 missing
508.4(b)	Review of the non-conforming procurement policies and programs listed in Column II of Annex 508.3.	January 1, 1998	Missing
511.1	Annual report on procurement by 502.1A entities.	Annually	1999-2000 missing 2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1999-2000 missing 2000-2001 missing
Chapter 6: Investment			
615(b)	Annual Report on Incentives.	Annually	1998-1999 missing 1999-2000 missing 2000-2001 missing 2001-2002 missing
Chapter 17: Dispute Resolution			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
1713.1	Advise Secretariat of screeners.	July , 1995	Missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

NEWFOUNDLAND AND LABRADOR

Article	Outstanding Obligation	Timing	Status
Chapter 6: Investment			
615(b)	Annual Report on Incentives.	Annually	2000-2001 missing 2001-2002 missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

NORTHWEST TERRITORIES

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
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	1995-1996 missing 1998-1999 missing 1999-2000 missing 2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	1998-1999 missing 1999-2000 missing 2000-2001 missing
Chapter 6: Investment			
615(b)	Annual Report on Incentives.	Annually	2000-2001 missing 2001-2002 missing
Chapter 18: Final Provisions			
1801.3(c)	Report annually on regional economic development programs.	Annually	2000-2001 missing

INTERNAL TRADE SECRETARIAT 2001-2002 ANNUAL REPORT

YUKON

Article	Outstanding Obligation	Timing	Status
Chapter 5: Procurement			
511.1	Annual report on procurement by 502.1A entities.	Annually	2000-2001 missing
511.3 508.1 506.11 506.12	Annual report on excluded procurement above threshold value.	Annually	2000-2001 missing
Chapter 6: Investment			
615(b)	Annual Report on Incentives.	Annually	2000-2001 missing 2001-2002 missing
Chapter 17: Dispute Resolution			
1705.1	Advise Secretariat of roster of panellists.	No date	Missing
Chapter 18: Final Provisions			
1801.3(c)	Report annually on regional economic development programs.	Annually	1998-1999 missing 1999-2000 missing 2000-2001 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

**INTERNAL TRADE SECRETARIAT
2001-2002 ANNUAL REPORT**

Financial Statements

Internal Trade Secretariat

March 31, 2002

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, 2002 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 Canadian generally accepted auditing standards. 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 Canadian generally accepted accounting principles.

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, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Winnipeg, Canada,
June 13, 2002.

Chartered Accountants

Internal Trade Secretariat

BALANCE SHEET

As at March 31

	2002	2001
	\$	\$
ASSETS		
Current		
Cash	168,277	187,119
Accounts receivable	13,798	14,775
	182,075	201,894
Capital assets		
Computers, furniture, and office equipment <i>[note 2]</i>	1	1
	182,076	201,895
LIABILITIES AND SURPLUS		
Current		
Accounts payable and accrued liabilities	24,474	39,407
Deferred contributions		
Federal Government <i>[note 3]</i>	55,681	52,463
Provinces and Territories <i>[note 4]</i>	101,921	110,025
Total current liabilities	182,076	201,895
Net assets	—	—
	182,076	201,895

See accompanying notes

On behalf of the Internal Trade Secretariat

Executive Director

Internal Trade Secretariat**STATEMENT OF REVENUE AND EXPENDITURES
AND NET ASSETS**

Year ended March 31

	2002	2001
	\$	\$
REVENUE		
Contributions		
Federal Government <i>[note 3]</i>	374,652	397,628
Provinces and Territories <i>[note 4]</i>	376,885	397,767
Interest		
Federal Government bank account <i>[note 3]</i>	3,753	3,271
Provinces and Territories bank account <i>[note 4]</i>	1,520	3,131
	756,810	801,797
EXPENDITURES		
Capital assets		
Computers	7,479	4,371
Furniture	1,490	712
Office equipment	114	5,238
Communications	17,052	4,556
Facility costs	38,985	38,985
Goods and services tax [net]	13,797	14,776
Professional services	9,841	6,592
Meetings and conferences	32,405	47,324
Office expenses	40,289	44,952
Personnel	429,614	420,265
Projects	84,106	97,076
Training	195	99
Translation	26,975	45,374
Travel	54,468	71,477
	756,810	801,797
Excess of revenue over expenditures for the year	—	—
Net assets, beginning of year	—	—
Net assets, end of year	—	—

See accompanying notes

Internal Trade Secretariat

NOTES TO FINANCIAL STATEMENTS

March 31, 2002

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 Canadian generally accepted accounting principles, 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 \$9,083 [2001 - \$10,321] 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.

Internal Trade Secretariat

NOTES TO FINANCIAL STATEMENTS

March 31, 2002

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:

	2002	2001
	\$	\$
Deferred contributions, beginning of year	52,463	39,706
Contributions received during the year	377,870	410,385
	430,333	450,091
Required contributions		
50% of the eligible expenditures of \$756,810 [2001 - \$801,797]	378,405	400,899
Deduct interest earned on advances from the Federal Government	(3,753)	(3,271)
	374,652	397,628
Deferred contributions, end of year	55,681	52,463

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:

	2002	2001
	\$	\$
Deferred contributions, beginning of year	110,025	137,827
Contributions received during the year	368,781	369,965
	478,806	507,792
Required contributions		
50% of the eligible expenditures of \$756,810 [2001 - \$801,797]	378,405	400,898
Deduct interest earned on advances from the Provinces and Territories	(1,520)	(3,131)
	376,885	397,767
Deferred contributions, end of year	101,921	110,025

Internal Trade Secretariat

NOTES TO FINANCIAL STATEMENTS

March 31, 2002

5. COMMITMENTS

The Internal Trade Secretariat is committed to make minimum annual rental payments under a lease which expires January 31, 2006 as follows:

	\$
2003	18,396
2004	18,396
2005	18,396
2006	16,863

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

In addition, the organization has committed \$25,000 for upgrading the existing workstations and operating systems and for computer equipment and software.

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 Canadian generally accepted accounting principles which require that capital assets be capitalized and amortized over their useful lives. 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 \$9,083 [2001 - \$10,321], amortization expense would have been increased by \$8,703 [2001 - \$19,376], contribution revenue would have been decreased by \$379 [2001 - increased by \$9,055], and capital assets and deferred contributions on the balance sheet would each have been increased by \$18,942 [2001 - \$18,563].