

THE AGREEMENT ON INTERNAL TRADE

April 2002
to
March 2003

ISBN 1-894055-42-X

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

December 2003

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, 2002 to March 31, 2003.

When ministers last met as the Committee on Internal Trade in June 2002, they gave direction on a number of items. This letter provides a brief report on what has transpired with respect to the key items.

CIT ministers agreed to proceed on a priority basis with the full implementation of the AIT by completing all outstanding obligations and by initiating outstanding reviews. As can be seen by the table on page 62, Parties have demonstrated their commitment to the ongoing fulfilment of their obligations under the AIT. In addition, the table on page 43 points out the continuing work being undertaken under the various sectoral chapters to complete the commitments of those chapters. In particular, a major review of Chapter Five (Procurement) has been initiated in response to a review obligation that has been long outstanding. That review is proceeding with vigour.

However, at the end of this reporting period, three major negotiation items still remained to be completed, namely: the finalization of the procurement provisions for government entities of a commercial or industrial nature; the review of the Agriculture Chapter; and the adoption of an Energy Chapter.

At its June 2002 meeting, CIT ministers agreed to the elements of a Fifth Protocol of Amendment. Although sent to ministers for their individual signatures in January 2003, all signatures have not yet been received, due largely to an unprecedented number of provincial and territorial elections resulting in changes in ministers and ministerial staff. The formal incorporation of the protocol into the Agreement is currently awaiting the signature of a few remaining Parties.

Ministers also directed the Internal Trade Secretariat to prepare for it a report that would assess key aspects of the Agreement and present options to improve internal trade within Canada. This resulted in the November 2002 *Report on the Future of the AIT* which was distributed to ministers with the commitment of officials to review the initiatives proposed and develop specific recommendations and an action plan for the consideration of the CIT at its next meeting. That work has been completed and ministers will be asked at the next CIT meeting to consider a forward agenda encompassing both broad and specific initiatives proposed by a number of sources including CIT ministers.

A meeting of the CIT was planned for April 2003 but was postponed due to a provincial election. Despite several attempts to reschedule it, the date for the meeting has not yet been set. Parties have expressed frustration at this situation and the consequent delay in addressing the forward agenda and other issues that were ready for CIT consideration in April. Consideration should be

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

given to developing a protocol governing future requests for postponement so as to minimize the uncertainty and loss of momentum that comes with the postponement of a CIT meeting.

It is expected that the focus for future activities with regard to the AIT will be on new directions for improving internal trade.

Lorraine Andras
Acting Executive Director
Internal Trade Secretariat

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Ministers of the Committee on Internal Trade¹

Lucienne Robillard (Co-chair)
Minister of Industry
Canada

Peter Mesheau (Co-chair)
Minister of Business New Brunswick
New Brunswick

Michel Audet (Vice-chair)
Ministre du Développement économique et
régional (*Minister of Regional and
Economic Development*)
Québec

Kathy Dunderdale
Minister of Industry, Trade & Rural
Development
Newfoundland & Labrador

Ernest Fage
Minister of Economic Development
Nova Scotia

Michael Currie
Minister of Development and Technology
Prince Edward Island

Joe Cordiano
Minister of Economic Development and
Trade
Ontario

MaryAnn Mihychuk
Minister of Intergovernmental Affairs
and Trade
Manitoba

Len Taylor
Minister of Government Relations
Saskatchewan

Halvar Jonson
Minister of International & Intergovernmental
Relations
Alberta

Rick Thorpe
Minister for Competition, Science and
Enterprise
British Columbia

Brendan Bell
Minister of Resources, Wildlife & Economic
Development
Northwest Territories

Dennis Fentie
Premier and Minister of Economic
Development
Yukon

¹ As of December 31, 2003

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Table of Contents

1)	Highlights of the Year in Review	1
2)	Overview of the Agreement on Internal Trade	3
	A) Contents of the Agreement	3
	B) Guiding Principles	3
	C) Sectoral Chapters	4
	D) Dispute Resolution	5
	E) The Organizational Structure of the Internal Trade Agreement	6
	F) Obligations under the Agreement	7
3)	Chapter by Chapter Progress	9
	Chapters One to Four	9
	Procurement (Chapter Five)	9
	Investment (Chapter Six)	11
	Labour Mobility (Chapter Seven)	12
	Consumer-Related Measures and Standards (Chapter Eight)	14
	Agricultural and Food Goods (Chapter Nine)	16
	Alcoholic Beverages (Chapter Ten)	18
	Natural Resources Processing (Chapter Eleven)	19
	Energy (Chapter Twelve)	19
	Communications (Chapter Thirteen)	20
	Transportation (Chapter Fourteen)	20
	Environmental Protection (Chapter Fifteen)	22
	Institutional Provisions (Chapter Sixteen)	23
	Dispute Resolution Procedures (Chapter Seventeen)	24
	Final Provisions (Chapter Eighteen)	25
4)	For More Information...	27
	A) Contact the Internal Trade Secretariat	27
	B) Contact an Internal Trade Representative	27

APPENDICES

APPENDIX A	Committees and Working Groups	31
APPENDIX B	Internal Trade Secretariat	33
APPENDIX C	Dispute/complaint Tracking	35
APPENDIX D	Fulfilment of Obligations	57
APPENDIX E	Financial Statements	73

AGREEMENT ON INTERNAL TRADE

2002-2003 ANNUAL REPORT

1) Highlights of the Year in Review

In 2002/2003, 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 Committee on Internal Trade (CIT) met once during the reporting period on June 21, 2002. In addition, officials held numerous meetings and conference calls in pursuit of the objectives of fully implementing the AIT.

A major highlight of the year was the preparation of the November 2002 *Report on the Future of the AIT*. The *Report* was prepared in response to direction given by CIT ministers in June 2002 for the Internal Trade Secretariat to develop an assessment of specific aspects of the Agreement with a view to improving internal trade within Canada. The *Report* included input from most CIT ministers and drew upon issues raised by the participants in the 2000/2001 public consultations process as well as by the Parties and other stakeholders in past years.

The November 2002 *Report* was distributed to ministers with the commitment of officials to review the initiatives proposed and to develop specific recommendations and an action plan for the consideration of the CIT. That work has been completed and ministers will be asked at the next CIT meeting to consider a forward agenda encompassing both broad and specific initiatives proposed by a number of sources, including CIT ministers.

Other highlights for this year include:

- approval of the text of a new annex covering crown corporations of a commercial or industrial nature or which have been granted exclusive rights by a Party;
- initiation of the reviews mandated under Article 516 of the Procurement Chapter Five (Procurement);
- approval by the CIT of clarifications and improvements to the Code of Conduct on Incentives (Annex 608.3);
- implementation of REGISTREX, a single window for links to the corporate registries of the federal, provincial and territorial governments;
- broadening of Chapter Seven (Labour Mobility) implementation activities, including the initiation of:
 - a review of the Quebec approach to granting equivalencies in order to improve general understanding and acceptance by regulatory bodies of that Party's approach,
 - a review of current mutual recognition agreements (MRAs) to determine the extent of exclusion of foreign-trained workers and approaches for recognition of foreign qualifications between Parties,
 - a review of the accessibility and effectiveness of the Chapter Seven dispute resolution mechanism, and

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- development of a framework for monitoring and assessment of the effectiveness of Chapter Seven;
- development of proposals for extending consumer charge-back rights to all forms of distance sales;
- continued work on future cooperative action on consumer issues including: electronic commerce, market-based consumer redress, alternative consumer credit markets; and collection agencies;
- establishment of an industry-led National Wine Standards Committee (WSC) to continue work on developing wine standards and make recommendations on respective enforcement policies and procedures;
- development of options for resolving the outstanding issue of regional economic development measures relating to petroleum oil and gas for further consideration by Energy ministers;
- completion of work on developing more uniform national standards for the weight and dimension limits of heavy vehicles;
- approval of National Safety Code standards for Compliance Review - Facility Audits; and new regulations under the National Safety Code Standards on Hours of Service and Load Security;
- endorsement of the Canada-wide Standards for dioxins and furans emissions from iron sintering plants and from steel manufacturing electric arc furnaces under the Canada-Wide Accord on environmental harmonization; and
- implementation of the second annual survey of the Secretariat's clientele.

In 2002/2003, 22 disputes were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 17 had been addressed by year end and 5 were pending. In total, 175 disputes have been filed between the time the AIT came into force in July 1995 and the end of this reporting period, of which 154 have been resolved, 10 have been withdrawn or are inactive, and 11 are pending. Further, the average length of time to dispose of a dispute has been steadily dropping, from a high of 6.7 months in 1996/97 to 4.4 months for disputes initiated in the current reporting period. This results in an average of 5.3 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 2002/2003.

AGREEMENT ON INTERNAL TRADE

2002-2003 ANNUAL REPORT

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, to the extent possible, barriers to the free movement of people, goods, services and investment within Canada and to establish an open, efficient and stable domestic market. The Parties to the Agreement recognize and agree that enhancing trade and mobility within Canada would contribute to this goal.

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.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- **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. Provisions governing procurement by the MASH sector (including municipalities and municipal organisations, school boards, and publicly-funded academic, social and health services) were incorporated 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.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- **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 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 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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 within 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 New Brunswick. 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 seven times since the Agreement came into effect and the end of this reporting period (in November 1995; March 1996; June 1996; December 1996; February 1998; April 2000; and, June 2002). In addition, conference calls have been arranged, as necessary, to deal with complaints launched under the dispute resolution procedures of the Agreement.

ii) Internal Trade Representatives

Each government has appointed an Internal Trade Representative (ITR). ITRs meet as a committee to oversee 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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, 2003.

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 tables found in Appendix D. The first table 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 table outlines the fulfilment by each Party of the obligations that fall within its responsibility.

AGREEMENT ON INTERNAL TRADE

2002-2003 ANNUAL REPORT

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;
- 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;

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- 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:

- 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;
- 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;
- agreed to suspend for three years the potential for retaliation against electrical utilities and recourse to the dispute resolution provisions of the Agreement relative to such entities;
- approved the text of Annex 502.4, a new annex covering government entities of a commercial or industrial nature or which have been granted exclusive rights by a Party, and continued negotiations concerning the treatment of entities that would remain excluded once the new annex comes into effect;
- initiated the reviews mandated under Article 516 of Chapter Five.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

In the year ahead the Parties intend to:

- conclude the negotiations to include an annex covering government entities of a commercial or industrial nature or those granted exclusive rights by a Party by resolving the issues of which entities are covered by the new annex and what treatment is accorded those entities that would remain excluded once the new annex comes into effect;
- find a means of providing a fewer number of access points for suppliers seeking information on Canadian public sector tender opportunities given the number of different approaches to electronic tendering currently being pursued by individual Parties and their MASH entities;
- continue with the reviews of the Chapter, researching and evaluating options and, where warranted, defining recommendations for improvement.

Investment (Chapter Six)

When the Agreement came into effect, it:

- prohibited discriminatory treatment of Canadian investors and businesses based on residency, place of incorporation or head office location;
- 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;
- required the preparation of a plan by July 15, 1995 to reconcile extra-provincial corporate registration and reporting requirements;
- prohibited imposition of local content, purchasing and sourcing requirements on investors or businesses from other Parties;
- 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:

- completed a list of remaining local presence and residency requirements for inclusion in Annex 604.4 (Local Presence and Residency Requirements) and agreed to an ongoing review of the list in order to make recommendations to the Ministers as to their retention, removal or replacement;

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- 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;
- 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 development of REGISTREX, a single window for links to the corporate registries of the federal, provincial and territorial governments.

During this reporting period, the Parties have:

- completed negotiations on clarifications and improvements to the Code of Conduct on Incentives (Annex 608.3);
- completed development and implementation of REGISTREX.

In the year ahead the Parties intend to:

- 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:

- eliminated residency requirements as an employment condition or as a condition of eligibility for licensing, certification or registration;
- 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;
- required Parties to mutually recognize the occupational qualifications required of workers from any other Party and established a process to harmonize occupational standards;
- 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”.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Prior to this reporting period, the Parties had:

- 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
 - completed 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 (Work Destinations Website) to provide information on the licensing requirements of regulatory bodies.

During this reporting period, the Parties have:

- continued 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;
- broadened Chapter Seven implementation activities, including initiating:

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- a review of the Quebec approach to granting equivalencies in order to improve general understanding and acceptance by regulatory bodies of that Party's approach;
- a review of current recognition agreements to determine the extent of exclusion of foreign-trained workers and approaches for recognition of foreign qualifications between Parties;
- a review of the accessibility and effectiveness of the Chapter Seven dispute resolution mechanism;
- development of a framework for monitoring and assessment of the effectiveness of Chapter Seven.

In the year ahead the Parties intend to:

- continue to work towards compliance by all occupations;
- continue to implement required legislative and regulatory changes;
- complete the broader Chapter Seven implementation activities initiated during the current reporting period;
- improve the Work Destinations Website.

Consumer-Related Measures and Standards (Chapter Eight)

When the Agreement came into effect, it:

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- enforcement of revocation rights,
- financial compensation for consumers, and
- 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;
- finalized negotiation of a Cooperative Enforcement Agreement;
- developed a common template for harmonized consumer protection legislation in electronic commerce covering contract formation, cancellation rights, credit card charge-backs and information provision;
- developed a Code of Practice for on-line merchants and a standard for consumer protection in electronic commerce;
- completed a consumer information product for on-line shoppers: *Shopping Safely On-Line*;
- agreed to a common list of prohibited practices by collection agencies;
- created a guide to identify and promote best practices for consumer complaint prevention, handling and resolution;
- published the third edition of *The Canadian Consumer Handbook*.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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;
- examined options for extending charge-back rights proposed in the harmonized consumer protection legislation in electronic commerce;
- initiated exploration of issues related to consumer debt, credit reporting, trade liberalization and media violence.

In the year ahead the Parties intend to:

- complete the harmonization of legislation respecting cost of credit disclosure;
- continue work to implement of the cooperative action agenda and exploration of the consumer issues initiated in the current reporting period.

Agricultural and Food Goods (Chapter Nine)

When the Agreement came into effect, it:

- 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;
- committed the Parties to reducing or eliminating measures that constitute obstacles to internal trade in agricultural and food goods;
- prohibited further restrictions on internal trade, other than sanitary and phytosanitary measures;
- committed Parties to consider internal trade impacts when amending or adopting sanitary or phytosanitary measures;
- established a consultation process for the Parties;

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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

Prior to this reporting period, the Parties had:

- engaged in discussions on reducing or eliminating technical barriers to trade;
- identified and discussed technical barriers to trade with policy implications;
- reviewed the scope and coverage of the Chapter to broaden coverage and further liberalize internal trade in agricultural and food goods;
- brought under the coverage of the Chapter the following technical barriers to trade that have policy implications:
 - shipment of horticultural products in bulk containers,
 - absence of a Canada No. 1 Small potato grade,
 - margarine colouring restrictions and other margarine standards,
 - standards regarding dairy blends and imitation dairy products, and
 - fluid milk standards and distribution;
- C identified a process for reviewing the scope and coverage of the Chapter;
- 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;
- 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:

- continue to reduce or eliminate technical barriers to trade and technical barriers to trade with policy implications;
- 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.

AGREEMENT ON INTERNAL TRADE

2002-2003 ANNUAL REPORT

Alcoholic Beverages (Chapter Ten)

When the Agreement came into effect, it:

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

Prior to this reporting period, the Parties had:

- reviewed Ontario's Canadian grape content requirements which Ontario committed to remove by 1999;
- reviewed Nova Scotia's practice (since eliminated) on differential floor pricing for beer and beer products;
- 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;
- 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:

- established an industry-led National Wine Standards Committee (WSC) to continue work on developing wine standards and make recommendations on respective enforcement policies and procedures.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

In the year ahead, the Parties intend to:

- continue the development of the National Wine Standard;
- continue to reduce or eliminate obstacles to trade of alcoholic beverages.

Natural Resources Processing (Chapter Eleven)

When the Agreement came into effect, it:

- 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
- 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:

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

During this reporting period, the Parties have:

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

In the year ahead the Parties intend to:

- 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:

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

Prior to this reporting period, the Parties had:

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

During this reporting period, the Parties have:

- developed options for resolving the outstanding issue of regional economic development measures relating to petroleum oil and gas. The results of their deliberations have been forwarded to Energy ministers for their further consideration.

In the year ahead the Parties intend to:

- await a response from Energy ministers regarding the issue of regional economic development measures relating to petroleum oil and gas.

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 anti-competitive conduct in other markets;
- 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;

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- committed Parties to reconciling regulatory and standards-related measures;
- committed Parties to phasing out measures that do not conform to the Agreement;
- 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;
- 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;
- reviewed exempt measures listed in Annex 1410.1;
- approved the National Safety Code Standard 14 - Compliance Review Safety Rating.

During this reporting period, the Parties have:

- completed work on developing more uniform standards on weights and dimensions;
- approved National Safety Code standards for Compliance Review - Facility Audits;
- approved new regulations under the National Safety Code Standards on Hours of Service and Load Security.

In the year ahead the Parties intend to:

- continue reviewing proposed changes to the National Safety Code commercial vehicle maintenance, on-road inspections and trip inspection standards;

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

- review exempt measures listed in Annex 1410.1;
- continue to review proposals on deregulating the intercity bus industry.

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;
- 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;
- under the Canada-Wide Accord on environmental harmonization, endorsed the Canada-wide Standards for dioxins and furans emissions from iron sintering plants and from steel manufacturing electric arc furnaces.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

In the year ahead, the Parties intend to:

- continued to publish notifications of new or amended measures taken by member jurisdictions;
- continue efforts to harmonize environmental measures that may affect interprovincial mobility and trade.

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 seven times;
- prepared the Annual Reports for 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000, and 2000-2001;
- established a Working Group on Adjustment comprised of Internal Trade Representatives.

During this reporting period, the Parties have:

- held the annual meeting of the CIT in June 2002;
- held four meetings and two conference calls of the Internal Trade Representatives;
- published the Annual Report for 2001-2002.

In the year ahead the Parties intend to:

- hold the annual meeting of the Committee on Internal Trade;
- prepare the 2002-2003 Annual Report.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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;
- 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;
- 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 22 disputes that were formally initiated using the dispute settlement mechanisms provided for under the Agreement. Of these, 17 had been addressed by year end and 5 were pending. In total, 175 disputes have been filed between the time the AIT came into force in July 1995 and the end of this reporting period, of which 154 have been resolved, 10 have been withdrawn or are inactive, and 11 are pending. Further, the average length of time to dispose of a dispute has been steadily dropping from a high of 6.7 months in 1996/97 to 4.4 months for disputes initiated in the current reporting period. This results in an average of 5.3 months over the time since the AIT came into effect;
- further revised the operational guidelines for Panels.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

In the year ahead the Parties intend to:

- finalize the Roster of Panellists;
- 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;
- completed a public consultation project to assist the Parties in identifying pragmatic and useful ways for improving internal trade by holding a national conference, edited the proceedings of the conference and prepared the report on the overall consultations project.

During this reporting period, the Parties have:

- reviewed the annual reporting requirements relative to regional economic development programs and developed draft guidelines for reporting.

In the year ahead the Parties intend to:

- finalize the draft guidelines for reporting of regional economic development programs.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

4) For More Information...

A) Contact the Internal Trade Secretariat

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

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

B) Contact an Internal Trade Representative²

Canada	Roman Staranczak Industry Canada 5th Floor East 235 Queen Street Ottawa Ontario K1A 0H5	Tel: (613) 954-0430 Fax: (613) 954-8042 E-mail: staranczak.roman@ic.gc.ca
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: G bent@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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Prince Edward Island	Robert Perrin Prince Edward Island Development and Technology P.O. Box 1500 Montague PE C0A 1R0	Tel: (902) 838-0633 Fax: (902) 838-0610 E-mail: wrperrin@gov.pe.ca
Quebec	Daniel Albert Secrétariat aux Affaires intergouvernementales canadiennes (<i>Canadian Intergovernmental Affairs Secretariat</i>) 875, rue Grande Allée est 2 ^e étage, Bureau 2.511 Quebec QC G1R 4Y8	Tel: (418) 644-8404 Fax: (418) 646-5420 E-mail: daniel.albert@mce.gouv.qc.ca
Ontario	Richard Caine Economic Development and Trade 6th Floor., Hearst Bldg., 900 Bay Street Toronto ON M7A 2E1	Tel: (416) 325-6947 Fax: (416) 325-6949 E-mail: richard.caine@edt.gov.on.ca
Manitoba	Alan Barber Industry, Economic Development & Mines 910-259 Portage Ave. Winnipeg MB R3B 3B4	Tel.: (204) 945-8714 Fax: (204) 945-1354 E-mail: Abarber@gov.mb.ca
Saskatchewan	Robert Donald Government Relations and Aboriginal Affairs 11th Floor 1919 Saskatchewan Drive Regina SK S4P 3V7	Tel: (306) 787-8910 Fax: (306) 787-8883 E-mail: rdonald@iaa.gov.sk.ca
Alberta	Shawn Robbins International and Intergovernmental Relations 12th Floor, Commerce Place 10155 -102 St N.W. Edmonton AB T5J 4G8	Tel: (780) 422-1129 Fax: (780) 427-0699 E-mail: shawn.robbs@gov.ab.ca
British Columbia	Robert Musgrave Competition, Science and Enterprise P.O. Box 9327, Stn Prov Govt 4th Floor, 1810 Blanshard Street Victoria BC V8W 9N3	Tel: (250) 952-0711 Fax: (250) 952-0716 E-mail: robert.musgrave@gems7.gov.bc.ca

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Northwest
Territories

Terry Lancaster
Resources, Wildlife &
Economic Development
P.O. Box 1320
Yellowknife NT X1A 2L9

Tel: (867) 873-7360
Fax: (867) 873-0101
E-mail:
Terry_Lancaster@gov.nt.ca

Yukon

Meg Horn
Economic Development
305 Wood Street, 2nd Floor
Box 2703
Whitehorse, Yukon Y1A 2C6

Tel: (867) 667-5387
Fax: (867) 667-8601
E-mail: meg.horn@gov.yk.ca

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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
- Chapter Five Review working groups

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Appendix B

INTERNAL TRADE SECRETARIAT ³

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

Phone: (204) 987-8090

Fax: (204) 942-8460

Web site: www.intrasec.mb.ca

E-mail: info@intrasec.mb.ca

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

Internal Trade Secretariat Personnel

Lorraine Andras
Acting Executive Director
Phone: (204) 987-8098
E-mail: lorraine@intrasec.mb.ca

Glenda Birney
Policy Advisor
Phone: (204) 987-8097
E-mail: glenda@intrasec.mb.ca

Michelina Violi-Bedder
Administration & Translation Officer
Phone: (204) 987-8090
E-mail: michelina@intrasec.mb.ca

³ As of December 31, 2003

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Appendix C

DISPUTE/COMPLAINT TRACKING - SUMMARY TABLES ⁴

NUMBER AND STATUS OF COMPLAINTS SINCE THE COMING INTO FORCE OF THE AGREEMENT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
02/03-5 LES ENT	November 02	5	Thermal Blankets	Les Entreprises P. Cormier	Canada	CITT	Upheld	February 03	P-OG
02/03-5 HUR CON	November 02	5	Computer Training	Huron Consulting	Canada	CITT	Upheld	February 03	P-OG
02/03-5 NOE IMP	November 02	5	Inflatable Rescue Craft	Noël Import	Canada	CITT	Upheld	February 03	P-OG
02/03-5 CVD INC	October 02	5	Digital Voice Logging Equip.	CVDS Inc.	Canada	CITT	Upheld	January 03	P-OG
02/03-5 PAP PLA	October 02	5	Repair of Trunk Lockers	Papp Plastics	Canada	CITT	Denied	February 03	P-OG
02/03-11 CRB NS	September 02	11	Snow Crab Processing	New Brunswick	Nova Scotia	Ch. 11 Consults	Pending	Pending	G-G
02/03-11 CRB QC	September 02	11	Snow Crab Processing	Nova Scotia	Quebec	Ch. 11 Consults	Pending	Pending	G-G
02/03-11 CRB NB	September 02	11	Snow Crab Processing	Nova Scotia	New Brunswick	Ch. 11 Consults	Pending	Pending	G-G
02/03-11- CRB NF	September 02	11	Snow Crab Processing	Nova Scotia	Newfoundland	Ch. 11 Consults	Pending	Pending	G-G

⁴ As of March 31, 2003

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
02/03-5 NAN SHI	September 02	5	Refit of HMCS Algonquin	Nanaimo Shipyard Ltd.	Canada	CITT	Denied	December 02	P-OG
02/03-5 INB SYS	August 02	5	OMS Migration to Web-based Environment	InBusiness Systems Inc.	Canada	CITT	Denied	November 02	P-OG
02/03-5 VAL LTD	July 02	5	Engineering, Mgmt. Support Services	Valcom Ltd.	Canada	CITT	Denied	December 02	P-OG
02/03-5 COG SY2	July 02	5	OMS Migration to Web	Cognos Incorporated	Canada	CITT	Upheld	November 02	P-OG
02/03-5 ZEN ENV	July 02	5	Repair of Desalination Units	Zenon Environmental	Canada	CITT	Upheld	October 02	P-OG
02/03-5 KWL LEA	June 02	5	Tactical Vests	K-W Leather Products Ltd.	Canada	CITT	Upheld	September 02	P-OG
02/03-5 TEN SY2	May 02	5	Electronic Tendering	NB Electronic Tendering Services co.	Alberta	Ch. 5 Consults	Pending	Pending	G-G(P)
02/03-5 TEN SY1	April 02	5	Electronic Tendering	Tendering Publications Limited	Canada	CITT	Upheld	July 02	P-OG
02/03-5 XIA INF	April 02	5	Info. Architect Services	XIA Information Architects Corp.	Canada	CITT	Upheld	July 02	P-OG
02/03-5 SPM GRO	April 02	5	Project Mgmt. Course	SPMGroup Ltd.	Canada	CITT	Upheld	July 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
02/03-5 COG SY1	April 02	5	Software	Cognos Incorporated	Canada	CITT	Denied	August 02	P-OG
02/03-5 POL INF	April 02	5	Inflatable Boats	Polaris Inflatable Boats	Canada	CITT	Upheld	September 02	P-OG
02/03-5 PRI PRO	April 02	5	Lithium Batteries	Primex Project Management	Canada	CITT	Denied	August 02	P-OG
01/02-5-FLI SYS	March 02	5	Multi-spectral electro-optics/infrared	FLIR Systems Ltd.	Canada	CITT	Denied	July 02	P-OG
01/02-8 COC AB	March 02	8	Cost of Credit	Alberta	Canada	Ch. 8 Request for Ministers	Pending	Pending	G-G
01/02-5-EQU IND	March 02	5	Hydraulic parallelogram lift	Équipement Industriel Champion Inc.	Canada	CITT	Denied	June 02	P-OG
01/02-5-MAC TEC	March 02	5	Multilingual solution	Macadamian Technologies	Canada	CITT	Denied	June 02	P-OG
01/02-5-GEO COL	February 02	5	Unemployment assistance	Georgian College of Applied Arts	Canada	CITT	Not Subject to the AIT	May 02	P-OG
01/02-5-PAP PLA	February 02	5	Plastic polycarbonate lenses	Papp Plastics & Distributing Ltd.	Canada	CITT	Denied	July 02	P-OG
01/02-5-SER STA	February 02	5	Janitorial services	Service Star Building Cleaning Inc.	Canada	CITT	Denied	May 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
01/02-5-MAX PRO	February 02	5	Management Consulting	Maxsys Professionals & Solutions	Canada	CITT	Upheld	May 02	P-OG
01/02-5-5-COR COR	February 02	5	Enterprise licence	Corel Corporation	Canada	CITT	Upheld	May 02	P-OG
01/02-5-FOU SY2	February 02	5	Networking/tele-communications equipment	Foundry Networks Inc.	Canada	CITT	Upheld	May 02	P-OG
01/02-7-ADAT	February 02	7	Ontario/Quebec Construction	(Canada) ADAT	Quebec and Ontario	Refusal by Canada to carry fwd.	Denied	April 02	G-G(P)
01/02-5-ACM MAN	January 02	5	Senior life cycle technologist services	ACMG Management Inc.	Canada	CITT	Upheld	June 02	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	Upheld	April 02	P-OG
01/02-5-DRS TEC	December 01	5	Communications management system	DRS Technologies Inc.	Canada	CITT	Upheld	May 02	P-OG
01/02-5-CMC ELE	December 01	5	Communications management system	CMC Electronics Inc.	Canada	CITT	Upheld	May 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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 Chandioux experts-conseils inc.	Canada	CITT	Denied	February 02	P-OG
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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
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-TAB CAN	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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
00/01-5-SIE WES	November 00	5	In-service support for Halifax and Iroquois class ships	Siemens Westinghouse Inc.	Canada	CITT	Upheld	May 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)

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
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	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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
99/00-5-EDU TRA	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
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

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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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
99/00-5-ONT CON	April 99	5	Ontario Construction Restrictions	Quebec	Ontario	Request for panel	Pending	Pending	G-G
99/00-5-NOV CAN	April 99	5	HRDC server licences	Novell Canada	Canada	CITT	Upheld	July 99	P-OG
99/00-5-NOR MIC	April 99	5	Revenue Can. computers	Northern Micro Inc.	Canada	CITT	Denied	July 99	P-OG
99/00-5-QUA SER	April 99	5	CGSB ISO 9000 auditing	Quality Services Intl.	Canada	CITT	Denied	June 99	P-OG
99/00-5-NET CON	April 99	5	CSC software maintenance	IT/NET Consultants	Canada	CITT	Upheld	July 99	P-OG
99/00-9-CAN SAL	April 99	9	Imitation Dairy Products	British Columbia [a soy product distributor]	Ontario	Screener	Denied	November 99	G-G(P)
98/99-5-DOU BAR	March 99	5	Revenue Can furniture	Douglas Barlett Assoc.	Canada	CITT	Upheld	June 99	P-OG
98/99-5-MAR MAN	March 99	5	DND air mattresses	Marathon Mgmt Company.	Canada	CITT	Upheld	May 99	P-OG
98/99-5-RUI CON	February 99	5	CSE Offices	Ruiter Construction	Canada	CITT	Denied	April 99	P-OG
98/99-5-DEL TOU	February 99	5	RCMP Resource Review	Deloitte & Touche Consulting	Canada	CITT	Denied	May 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
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	April 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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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	Ch. 17 Panel	Upheld	September 02	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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
97/98-5-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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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	Screeener	Denied	January 98	P-OG
96/97-5-BEL CAN	November 96	5	military message system	Bell Canada	Canada	CITT	Denied	January 98	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	Screeener	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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
95/96-5-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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

File Number	Originating Year and Month	Chapter	File Name	Complainant	Defendant	Last Stage	Disposition	Disposition Month and Year	Type of Complaint*
95/96-7-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

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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	71	63	4	1	0	139
5 - provincial	1	1	1	0	2	5
6	0	0	0	1	0	1
7	5	2	2	5	1	15
8	0	0	0	0	1	1
9	2	1	0	0	3	6
10	0	0	0	3	0	3
14	0	0	0	0	4	4
15	1	0	0	0	0	1
Total	80	67	7	10	11	175

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.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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	12	7	1	2	0	22
99/00	9	11	0	1	2	23
00/01	19	13	0	1	2	35
01/02	15	13	1	0	1	30
02/03	11	6	0	0	5	22
Total	80	67	7	10	11	175

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.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

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	4.4	29	1	30
02/03	4.4	17	5	22
Total 95/96 to 02/03	5.3	154	21	175

FULFILMENT OF 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-“Status of Obligations Not Pertaining to an Individual Party” reports on those obligations that are the responsibility of the Parties as a whole and that are outstanding as of December 31, 2003. For manageability, this table deals with obligations not yet completed, rather than the much longer list of completed obligations.

Table B- “Status of Party-Specific Obligations”, tracks the fulfilment of obligations that are the responsibility of individual Parties. Because of the recurring nature of most of these obligations which means that the obligations are never fully met, the table presents an overview of the progress of completion of each Party’s obligations as of December 31, 2003.

⁵ As of December 31, 2003

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

TABLE A: STATUS OF OBLIGATIONS NOT PERTAINING TO AN INDIVIDUAL PARTY (as of December 31, 2003)

Article	Outstanding Obligations	Timing	Responsibility	Status
---------	-------------------------	--------	----------------	--------

PROCUREMENT (CHAPTER FIVE): All obligations have been fully met with the exception of the following.

Obligations to negotiate

517.1	Negotiate to reduce number of gov't entities excluded from chapter.	July 1, 1996	Procurement Negotiating Table (PNT)	Ongoing; text of Annex approved by CIT. One outstanding issue remains.
-------	---	--------------	-------------------------------------	--

Obligations to review

516.1 516.2	Undertake initial review of the chapter, including threshold levels. Annually review chapter and present findings and recommendations to CIT.	Initial review by July 1, 1996. Thereafter, by March of each year.	PNT	Overall review of chapter is in progress.
516.4	Review opportunity to harmonize or reconcile bid protest procedures.	July 1, 1998		
516.5	Review and finalize list of excluded services from chapter.	July 1, 1996		

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
Annex 502.4 P5	Establish Working Group. This Working Group to review work of Provinces re: harmonization of standard terms and conditions in tender documents and standardization of complaint processes by MASH entities.	Completion of review by July 1, 2000	PNT (Provinces) to establish Working Group to undertake review	May be considered in overall review of chapter.
Annex 502.4 P6	Review application of Canadian content and regional economic development provisions.	July 1, 2001	PNT (Provinces)	
Annex 502.4 P7	Review operation of dispute resolution provisions.	Within 1 year of completion of review of standardization of complaint processes under P5	PNT (Provinces)	

Recurring Obligations

511.6	Prepare advertisement in a suitable newspaper format on procurement procedures for Parties to publish.	Annually	Secretariat	Completed for 2002
-------	--	----------	-------------	--------------------

INVESTMENT (CHAPTER SIX): All obligations have been fully met with the exception of the following.

Obligations to review

Annex 606 (21)	Review operation, scope and coverage of Annex on Extra-Provincial Corporate Registration and Reporting Requirements.	Every two years	Working Group on Investment	Completed for 2002.
----------------	--	-----------------	-----------------------------	---------------------

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
---------	-------------------------	--------	----------------	--------

LABOUR MOBILITY (CHAPTER SEVEN): All obligations have been fully met with the exception of the following.

Obligations to negotiate

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

Recurring obligations

712.1 (c)	Produce annual report on chapter to be submitted to CIT.	Annually	Forum of Labour Market Ministers	2002/2003 missing
--------------	--	----------	----------------------------------	-------------------

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
---------	-------------------------	--------	----------------	--------

CONSUMER-RELATED MEASURES (CHAPTER EIGHT): All obligations have been fully met with the exception of the following.

Obligations to negotiate

807.1 Annex 807.1	Reconcile consumer-related measures and adopt harmonized measures.	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.
-------------------------	--	--	---------	--

Recurring obligations

809.2 (e)	Produce an annual report on the chapter to be submitted to the CIT.	Annually	Consumer Measures Committee	2002/2003 missing
--------------	---	----------	-----------------------------	-------------------

AGRICULTURAL AND FOOD GOODS (CHAPTER NINE): All obligations have been fully met with the exception of the following.

Obligations to review

902.4	Review scope and coverage of 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

ALCOHOLIC BEVERAGES (CHAPTER TEN): All obligations have been fully met with the exception of the following.

Obligations to negotiate

1007	Harmonize by developing National Wine Standards.	No date	Parties	Ongoing
1011 (b)	British Columbia and Quebec to negotiate equivalent access for wine and wine products.	March 31, 1997	British Columbia and Quebec	Never initiated

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
Recurring Obligations				
1012	Produce an annual report to be submitted to the CIT.	Annually	Parties	2001/2002 missing 2002/2003 missing

NATURAL RESOURCES PROCESSING (CHAPTER ELEVEN): All obligations have been fully met with the exception of the following.

Recurring obligations

1104.2	Produce an annual report on the chapter to be submitted to the CIT.	Annually	Working Group on Processing of Natural Resources	2002-2003 missing
--------	---	----------	--	-------------------

ENERGY (CHAPTER TWELVE): There are no obligations other than the following.

Obligations to negotiate

1810.2	Complete and adopt a chapter on energy.	July 1, 1995	Parties	No consensus reached by CIT on economic development measures relating to petroleum oil and petroleum gas.
--------	---	--------------	---------	---

COMMUNICATIONS (CHAPTER THIRTEEN): All obligations have been met.

TRANSPORTATION (CHAPTER FOURTEEN): All obligations have been fully met with the exception of the following.

Obligations to negotiate

1408.1	Establish uniform national bill of lading.	July 1, 1995	Parties	Suspended; bills of lading considered relatively consistent
1408.1	Motor Carrier Safety Code - implement National Safety Code : - hours of service	January 1, 1996	Parties	- Approved; implementation underway

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
	<ul style="list-style-type: none"> - security of loads - commercial vehicle maintenance - on-road inspections - trip inspections 			<ul style="list-style-type: none"> - Approved; new regulations become mandatory 04/01/01. - Ongoing; changes proposed - Ongoing; changes proposed - Ongoing; changes proposed
1408.1	Establish work plan for 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 work plan for 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

Recurring Obligations

1415.1	Prepare an annual report on progress.	Annually	Council of Ministers	2001-2002 missing 2002-2003 missing
--------	---------------------------------------	----------	----------------------	--

ENVIRONMENTAL PROTECTION (CHAPTER FIFTEEN): All obligations have been fully met with the exception of the following.

Obligation to negotiate

1508	Harmonize environmental measures.	No date	Parties	Continue to harmonize environmental measures that may directly affect interprovincial mobility and trade.
------	-----------------------------------	---------	---------	---

INSTITUTIONAL PROVISIONS (CHAPTER SIXTEEN): All obligations have been met.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

Article	Outstanding Obligations	Timing	Responsibility	Status
---------	-------------------------	--------	----------------	--------

DISPUTE RESOLUTION PROCEDURES (CHAPTER SEVENTEEN): All obligations not pertaining to an individual Party have been met.

FINAL PROVISIONS (CHAPTER EIGHTEEN): All obligations have been met with the exception of the following.

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	CIT	Ongoing

**AGREEMENT ON INTERNAL TRADE
2002-2003 ANNUAL REPORT**

**TABLE B:
STATUS OF PARTY-SPECIFIC OBLIGATIONS (as of December 31, 2003)**

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
CANADA								
Annual Report on Procurement	U	U	U	U	U	U	U	
Annual Report on non-conforming procurement measure(s)	U	U	U	U	U	U		
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development Programs	U	U	U	U	U	U		
Review of non-conforming procurement measures(s)	Completed.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Completed.							
NEWFOUNDLAND AND LABRADOR								
Annual Report on Procurement	U	U	U	U	U	U	U	
Annual Report on non-conforming procurement measure(s)	U	U	U	n/a	n/a	n/a	n/a	

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Annual Report on Incentives	U	U	U	U	U	U		
Annual Report on Regional Economic Development	U	U	U	U	U	U	U	
Review of non-conforming procurement measures(s)	Completed. Measure terminated in 1997/98.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Completed.							
NOVA SCOTIA								
Annual Report on Procurement	U		U	U	U	U	U	
Annual Report on Incentives	U	U	U	U				
Annual Report on Regional Economic Development	U	U	U	none	none	none	none	
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
PRINCE EDWARD ISLAND								
Annual Report on Procurement	U	U	U	U	U	U	U	

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Annual Report on non-conforming procurement measure(s)	U	U	U	U				
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development	U		U	none	none	none	none	
Review of non-conforming procurement measures(s)	Not completed.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
NEW BRUNSWICK								
Annual Report on Procurement	U	U	U	U	U	U		
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development	U	U	U	U	U	U	U	
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Not completed							
Five Year Evaluation of Regional Economic Development Programs	Completed.							

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
QUEBEC								
Annual Report on Procurement	U	U	U	U	U	U	U	
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development	U	U	U	U	U	U	U	
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Not completed.							
ONTARIO								
Annual Report on Procurement	U		U	U	U			
Annual Report on Incentives	U	U	U	U				
Annual Report on Regional Economic Development	U	U	U					
Roster of procurement panellists	Not completed.							
Roster of Chapter 17 panellists	Not completed.							
Chapter 17 screener	Completed.							

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Five Year Evaluation of Regional Economic Development Programs	Not completed.							
MANITOBA								
Annual Report on Procurement	U	U	U	U	U	U	U	U
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development	none	none	none	none	none	none	none	
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
SASKATCHEWAN								
Annual Report on Procurement	U	U	U	U ⁶	U			
Annual Report on Incentives	U	U	U	U	U	U		
Annual Report on Regional Economic Development	none	none	none	none	none	none	none	
Roster of procurement panellists	Not completed.							
Roster of Chapter 17 panellists	Not completed							

⁶ Report on procurement under Article 508.1 missing for 1998/99

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Chapter 17 screener	Not completed							
ALBERTA								
Annual Report on Procurement	U	U	U	U	U	U	U	
Annual Report on Incentives	U	U	U	U	U	U	U	
Annual Report on Regional Economic Development	none	none	none	none	none	none	none	
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							
Chapter 17 screener	Completed							
BRITISH COLUMBIA								
Annual Report on Procurement	U	U	U	U	U	U	U	U
Annual Report on non-conforming procurement measure(s)	U	U	U	U	U	U	U	U
Annual Report on Incentives	U	U	U	U	U	U	U	U
Annual Report on Regional Economic Development	U	U	U	U	U	U	U	U
Review of non-conforming procurement measures(s)	Completed.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Completed							

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Completed.							
NORTHWEST TERRITORIES								
Annual Report on Procurement		U	U					
Annual Report on non-conforming procurement measure(s)	U	U	U	U	U			
Annual Report on Incentives	U	U	U	U	U	U		
Annual Report on Regional Economic Development	U	U	U	U	U	U		
Review of non-conforming procurement measures(s)	In progress.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Not Completed							
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Completed.							
YUKON								
Annual Report on Procurement	U	U	U	U	U			
Annual Report on non-conforming procurement measure(s)	U	U	U	U	U			

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

AGREEMENT ON INTERNAL TRADE 2002-2003 ANNUAL REPORT

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Annual Report on Incentives	U	U	U	U				
Annual Report on Regional Economic Development	U	U	U					
Review of non-conforming procurement measures(s)	Completed.							
Roster of procurement panellists	Completed.							
Roster of Chapter 17 panellists	Not completed							
Chapter 17 screener	Completed							
Five Year Evaluation of Regional Economic Development Programs	Not completed.							

- 1) The number of obligations varies by Party for the following reasons. Some Parties have listed non-conforming procurement measures and must provide an annual report as well as an evaluation of the measure. All Parties must provide an annual report outlining their regional economic development but only those who have such programs are required to undertake an evaluation of the program(s).
- 2) Where "none" is indicated, the Party has advised the Secretariat that it has no programs to report that correspond to the definition of regional economic development found in the Article.

Financial Statements
Internal Trade Secretariat

March 31, 2003

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, 2003 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, 2003 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, 2003.

Chartered Accountants

Internal Trade Secretariat

BALANCE SHEET

As at March 31

	2003 \$	2002 \$
ASSETS		
Current		
Cash	122,213	168,277
Accounts receivable	30,129	13,798
	152,342	182,075
Capital assets		
Computers, furniture, and office equipment <i>[notes 2 and 8]</i>	1	1
	152,343	182,076
LIABILITIES AND SURPLUS		
Current		
Accounts payable and accrued liabilities	26,543	24,474
Deferred contributions		
Federal Government <i>[note 3]</i>	65,681	55,681
Provinces and Territories <i>[note 4]</i>	60,119	101,921
Total current liabilities	152,343	182,076
Net assets	—	—
	152,343	182,076

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

	2003	2002
	\$	\$
REVENUE		
Contributions		
Federal Government <i>[note 3]</i>	335,682	374,652
Provinces and Territories <i>[note 4]</i>	336,236	376,885
Interest		
Federal Government bank account <i>[note 3]</i>	1,620	3,753
Provinces and Territories bank account <i>[note 4]</i>	1,066	1,520
	674,604	756,810
EXPENDITURES		
Capital assets		
Computers	23,172	7,479
Furniture	—	1,490
Office equipment	—	114
Communications	7,113	17,052
Facility costs	40,796	38,985
Goods and services tax [net]	10,913	13,797
Professional services	16,279	9,841
Meetings and conferences	32,206	32,405
Office expenses	36,249	40,289
Personnel	421,489	429,614
Projects	—	84,106
Training	3,520	195
Translation	51,551	26,975
Travel	31,316	54,468
	674,604	756,810
Excess of revenue over expenditures for the year	—	—
Net assets, beginning of year	—	—
Net assets, end of year	—	—

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2003

1. STATUS AND NATURE OF ACTIVITIES

The Internal Trade Secretariat [the "Secretariat"] is a non-taxable, 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 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 are prepared in accordance with Canadian generally accepted accounting principles, except as noted below, which require the Secretariat to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, and disclosures of contingencies. Actual results could differ from these estimates.

Capital assets

Capital assets are charged to expenditures in the year of purchase. During the year \$23,172 [2002 - \$9,083] 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 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, 2003

Financial instruments

Financial instruments include cash, accounts receivable and accounts payable. Unless otherwise stated, it is management's opinion that the Secretariat is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the book value of the Secretariat's financial assets and liabilities approximates their fair value.

3. CONTRIBUTIONS - FEDERAL GOVERNMENT

Based on a Funding Agreement with the Federal Government, the 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:

	2003	2002
	\$	\$
Deferred contributions, beginning of year	55,681	52,463
Contributions received during the year	345,682	377,870
	401,363	430,333

Internal Trade Secretariat

NOTES TO FINANCIAL STATEMENTS

March 31, 2003

4. CONTRIBUTIONS - PROVINCES AND TERRITORIES

Based on the Agreement on Internal Trade, the 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:

	2003	2002
	\$	\$
Deferred contributions—beginning of year	103 021	110 025

NOTES TO FINANCIAL STATEMENTS

March 31, 2003

7. STATEMENT OF CASH FLOWS

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

8. CAPITAL ASSETS

The 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 \$23,172 [2002 - \$9,083], amortization expense would have been increased by \$11,559 [2002 - \$8,703], contribution revenue would have been decreased by \$11,613 [2002 - \$379], and capital assets and deferred contributions on the balance sheet would each have been increased by \$30,555 [2002 - \$18,942].