

CT-89/1

(original)

**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF** an application by the Director of Investigation and Research under Sections 92 and 105 of the Competition Act, R.S.C. c.C-34, as amended:

**AND IN THE MATTER OF** the proposed acquisition by Asea Brown Boveri Inc. of certain assets and property comprising the electrical transmission and distribution business of Westinghouse Canada Inc., including those of its wholly-owned subsidiary Transelectrix Technology Inc.

COMPETITION TRIBUNAL		
TRIBUNAL DE LA CONCURRENCE		
		D E P O S E
	DEC 1 1989	<i>M</i>
REGISTRAR - REGISTRAIRE		
OTTAWA, ONT.	# 119(C)	

**B E T W E E N:**

**THE DIRECTOR OF INVESTIGATION AND RESEARCH**

Applicant

- and -

**ASEA BROWN BOVERI INC., WESTINGHOUSE CANADA INC.,  
TRANSELECTRIX TECHNOLOGY INC.**

Respondents

**AFFIDAVIT OF PETER A. MAGNUS**

I, Peter A. Magnus, of the City of Ottawa in the Judicial District of Ottawa-Carleton, Barrister and Solicitor, MAKE OATH AND SAY THAT:

1. I am a partner in the firm of Osler, Hoskin & Harcourt, counsel to Asea Brown Boveri Inc. ("ABB"). I have been the partner principally responsible for the negotiation, conduct and implementation of the trade remedies provisions of the Consent Order of June 15, 1989 and as such have personal knowledge of the facts herein disposed.

Re: FTA Accelerated Tariff Reduction - Canada

2. As part of the Free Trade Agreement, ("FTA") Article 401.5 thereof provided for the accelerated elimination of duty on items in the FTA tariff schedule of each country, subject to bilateral consultation.

3. By Canada Gazette Part I Notice of March 4, 1989, a copy of which is annexed hereto as Exhibit "1" to my affidavit, the Government of Canada established March 31, 1989 as the deadline for submission of requests for accelerated tariff elimination. In addition the Notice provided as follows:

"Changes to the staging of tariff elimination agreed by Canadian and U.S. Governments will be implemented on January 1, 1990".

4. On March 31, 1989 ABB filed its request for tariff elimination on certain mid-size transformers.

5. Following the filing with the Competition Tribunal of Federal Pioneer Limited's consent to the tariff reduction set forth in paragraph 10(b) of the Consent Order, June 15, 1989, ABB amended its tariff submission to include the specific transformers as defined in the said paragraph 10(b).

6. On July 15, 1989, the Canada Gazette Part I contained a listing of all applications for such accelerated tariff

reduction, including ABB's application. Attached hereto as Exhibit "2" to my affidavit is a copy of the said Canada Gazette. The said Notice contained the following comment with respect to implementation:

"Negotiations with the U.S. are expected to begin in early September and will continue through the fall with a view to implementing an agreed package of requests by both countries on January 1, 1990."

7. Following the invitation of submissions regarding the list of applications, no objections were received by the Canadian government with respect to ABB's application.

8. In mid-October it became evident that negotiations on the FTA accelerated tariff reduction lists of each country would not commence until November. As a result of provisions of the U.S. legislation regarding time periods, implementation on January 1, 1990 would not be possible.

9. The ABB application which would give effect to paragraph 10(b) of the Consent Order was included in the list of tariff items which were the subject of negotiations with U.S. officials which concluded on November 30, 1989.

Re: FTA Accelerated Tariff Reduction - U.S.

10. By Federal Register notice of January 23, 1989 filed by the Office of the United States Trade Representative ("USTR"), the U.S. government established February 21, 1989 as a deadline for submission of U.S. requests for FTA accelerated tariff reduction.

11. By Federal Register notice of July 17, 1989, the USTR provided public notice soliciting submissions from U.S. interests. The said notice included tariff item 8504.23 which includes transformers which are the subject of the Consent Order. Attached hereto as Exhibit "3" to my affidavit is a copy of page 29964 of the Federal Register evidencing inclusion of the tariff item.

12. The said Federal Register notice of July 17, 1989 requested that comments regarding such tariff reduction on tariff items proposed by either Canada or the U.S. be submitted to the USTR by August 18, 1989. The notice also indicated that the said tariff items were being referred to the International Trade Commission ("ITC") for purposes of its judgement as to the probable economic effect of such tariff reduction on industries producing like or directly competitive articles and on consumers. A copy of p. 29959 of the Federal Register evidencing the above forms Exhibit "4" to my affidavit.

13. The ITC conducted an investigation and held public hearings commencing September 11, 1989 into the above matter. A search at the ITC was conducted on my behalf and no submissions with respect to tariff item 8504.23 were discovered. I do verily believe that no such submissions were made.

14. It is my understanding that the tariff items that the U.S. government has included in its list of items for accelerated tariff elimination issued on November 30, 1989 is based on those items where neither government has received objections from their respective domestic interests.

Re: Implementation of Accelerated Tariff Reduction

15. At a meeting of the Canada-U.S. Trade Commission on November 30, 1989, Minister Crosbie (the Canadian Chairperson of the Commission) and Carla Hills (the United States Trade Representative and U.S. Chairperson of the Commission) reviewed and accepted the results of recently concluded bilateral consultations between the Canadian and U.S. governments during which agreement was reached on the list of tariff items that will be subject to accelerated FTA tariff elimination.

16. Attached as Exhibit "5" to my affidavit portions of a document entitled "List of Tariff Lines and Products Where

Canada and The United States Have Agreed to Accelerate the Elimination of the Tariff" issued by the Canadian government on November 30, 1989. This document identifies the tariff lines and products on which Canada and the United States have agreed to accelerate the elimination of the tariff, subject to final approval processes in both countries.

17. Annex 1 of the said document sets out the list of relevant tariff line numbers. Where a tariff line number specified on Annex 1 is followed by the designation "(P)" the relevant products on which agreement has been reached are specified in Annex 2.

18. Annex 1 of Exhibit "5" (at page 23) together with Annex 2 (at page 9) indicate that both countries have agreed to tariff elimination on the following goods that come within tariff item 8504.23:

"auto-transformers with an individual base MVA exceeding 100 but not exceeding 300, regardless of voltage classification; other transformers with a base MVA exceeding 50 but not exceeding 275, regardless of voltage classification; other transformers, with an individual voltage classification of 765 or greater"

19. The description from Annex 2 set out above covers the transformers specified in paragraph 10(b) of the Consent Order.

20. The page immediately following the title page of Exhibit "5" indicates as follows:

"In the majority of cases the tariff will be eliminated in 1990. The following are the exceptions:

...

- the tariff on certain goods of 8504.23(P) and 8504.90(P) (see Annex 2 for specific products) will fall to 6 p.c. on April 1, 1990, to 3 p.c. on January 1, 1991 and to Free on January 1, 1992.

21. The implementation dates set out in the previous paragraph are exactly as required by paragraph 10(b) of the Consent Order except that the reduction contemplated by the Consent Order is to be implemented on April 1, 1990 instead of January 1, 1990.

Re: Remission Order

22. Following both prior consultation with officials of the Department of Finance and the filing of the application for the Consent Order on May 15, 1989, ABB made a formal submission to the Tariffs Division of the Department of Finance requesting removal of duty by way of Remission Order on certain "large" transformers.

23. On June 20, 1989, ABB filed a supplemental submission to amend its application in order to include the "large" transformers specifically referred to in paragraph 10(a) of the Consent Order.

24. The Department of Finance has conducted its usual solicitation of comments within the Canadian industry regarding the proposed Remission Order. No objections to this remission have been received.

25. I expect that approval of such an order will be given by the Minister of Finance on or about November 30, 1989. I also expect that the Remission Order will be presented to Cabinet for approval at its scheduled meetings of on either December 6 or 13, 1989.

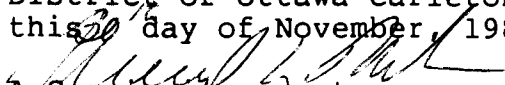
26. Subject to the foregoing it should be possible that a certified copy of the Order in Council as provided in paragraph 10(a) will be filed with the Competition Tribunal on or before December 18, 1989.

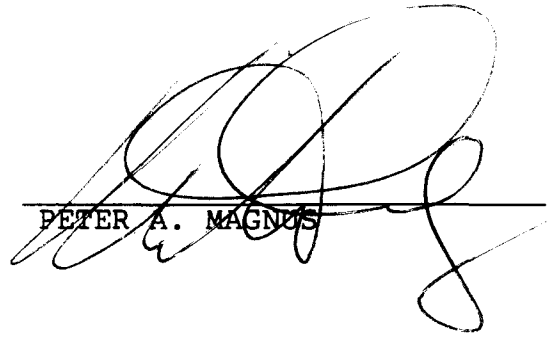
Re: General

27. I do verily believe that ABB has taken all steps necessary and available to it to assist in or cause the fulfillment of the conditions imposed in paragraphs 10(a) and (b) of the Consent Order.



28. I make this affidavit in support of a Motion to Vary certain terms of the Consent Order of June 15, 1989 and for no improper purpose.

SWORN before me at the City )  
of Ottawa, in the Judicial )  
District of Ottawa-Carleton )  
this 30<sup>th</sup> day of November, 1989 )  
  
A Commissioner, etc.

  
PETER A. MAGNUS

This is Exhibit "A" referred to in the Affidavit of Peter A. Ingeus dated this 30 day of November 1989  
A Commissioner of Customs and Excise  
Province of Ontario  
MINISTÈRES DES FINANCES ET DES AFFAIRES EXTERIEURES

DEPARTMENTS OF FINANCE AND EXTERNAL AFFAIRS

MINISTÈRES DES FINANCES ET DES AFFAIRES EXTERIEURES

INVITATION TO SUBMIT VIEWS ON REQUESTS FOR ACCELERATED ELIMINATION OF TARIFFS UNDER THE FREE TRADE AGREEMENT

INVITATION A COMMENTER LES DEMANDES D'ELIMINATION ACCELEREE DES DROITS DE DOUANE EN VERTU DE L'ACCORD DE LIBRE-ECHANGE

Initiation of Domestic Consultations

Début des consultations au pays

The Government's objective in these domestic consultations is to obtain information from interested parties on the potential advantages or disadvantages of accelerated elimination of duties under the Canada-U.S. Free Trade Agreement (FTA) on the Canadian and U.S. tariff items set out in the accompanying list.

Par les consultations internes, le gouvernement espère obtenir, des parties intéressées, des renseignements sur les avantages et les inconvénients éventuels de l'élimination accélérée bilatérale des droits dans le cas des numéros tarifaires du Canada et des États-Unis indiqués dans la liste en annexe dans le cadre de l'Accord de libre-échange (ALE) entre le Canada et les États-Unis.

This list contains requests for accelerated tariff elimination received by both Governments. The Government is seeking views from interested parties in Canada and will undertake negotiations with the U.S. on those requests which are in Canada's interest and which enjoy broadly-based support in the industry concerned.

La liste contient les demandes d'élimination accélérée des droits reçues par les deux pays. Le gouvernement veut connaître le point de vue des parties intéressées au Canada et il entreprendra des négociations avec les États-Unis sur les demandes qui intéressent le Canada et qui reçoivent un appui fort de l'industrie visée.

The Government will be consulting with the International Trade Advisory Committee (ITAC), Sectoral Advisory Groups on International Trade (SAGITs) and major industry Associations as the primary source of contact for seeking industry views.

Le gouvernement communiquera avec le Comité consultatif sur le commerce extérieur (CCCE), les Groupes de consultation sectoriel sur le commerce extérieur (GCSCE) et les principales associations industrielles comme première source de contact pour obtenir les points de vue de l'industrie.

Interested Party Submissions

Présentations par les personnes et organismes intéressés

In addition to the consultations mentioned above, any interested party is invited to submit views to the Government at the address at the end of this Notice. All submissions must be received no later than August 31. Submissions should:

En plus des consultations susmentionnées, les parties intéressées sont invitées à soumettre leur point de vue au gouvernement à l'adresse indiquée à la fin du présent avis. Toutes les présentations doivent être reçues au plus tard le 31 août. Les présentations doivent :

- (a) identify the tariff item or line being addressed;
- (b) clearly indicate support or opposition to the proposed tariff acceleration;
- (c) provide precise information on the reasons for this position. For example, interested parties should state the impact it would have on their operations, including employment and production in Canada, and on their import and export interests.

- a) désigner le numéro ou la ligne tarifaire visée;
- b) indiquer clairement si l'auteur est en faveur de l'élimination accélérée proposée des droits de douane ou non;
- c) justifier, à l'aide de renseignements précis, la position adoptée. Par exemple, les parties intéressées doivent préciser les répercussions sur leurs opérations incluant le nombre d'emplois, la production au Canada, leurs importations et leurs exportations.

Negotiations with the U.S. are expected to begin in early September and will continue through the fall with a view to implementing an agreed package of requests by both countries on January 1, 1990.

Les négociations avec les États-Unis devraient commencer au cours de la première moitié du mois de septembre et se poursuivre tout l'automne afin de permettre l'entrée en vigueur des demandes approuvées dans les deux pays au 1<sup>er</sup> janvier 1990.

Background

Contexte

The FTA, which came into effect on January 1, 1989, provides for the elimination, by January 1, 1998, of all tariffs on Canadian and U.S. goods traded between the two countries. Tariffs on many products were eliminated on January 1, 1989, and the remainder are currently scheduled to be phased out in five or ten equal annual stages.

L'ALE, en vigueur depuis le 1<sup>er</sup> janvier 1989, prévoit l'élimination, d'ici le 1<sup>er</sup> janvier 1998, de tous les droits de douane sur les marchandises que s'échangent le Canada et les États-Unis. Les droits de douane sur de nombreux produits ont été éliminés le 1<sup>er</sup> janvier 1989 et les autres devraient être supprimés progressivement en cinq ou dix étapes annuelles égales.

Article 401.5 of the FTA provides for accelerated elimination of the tariff on specific items in the Customs Tariff of

L'article 401.5 de l'ALE prévoit l'élimination accélérée des droits applicables à des articles spécifiques du Tarif des

## DEPARTMENTS OF EXTERNAL AFFAIRS AND FINANCE

### SUBMISSION OF REQUESTS, BY MARCH 31, 1989, FOR ACCELERATED ELIMINATION OF TARIFFS UNDER THE CANADA-U.S. FREE TRADE AGREEMENT

The Canada-U.S. Free Trade Agreement (FTA), which came into effect on January 1, 1989, provides for the elimination by January 1, 1990 of all tariffs on Canadian and U.S. goods traded between the two countries. Tariffs on many products were eliminated on January 1, 1989, while others will be phased out in five or ten equal stages.

Article 401.5 of the FTA provides for accelerated elimination of the duty on items in the FTA Tariff Schedule of each country, subject to bilateral consultation.

The purpose of this notice is to advise parties interested in submitting requests for accelerated tariff elimination of the procedures to be followed, as set out below.

The Government intends to undertake thorough consultations on all proposals received from Canadian and U.S. parties. Any changes to the FTA tariff phasing must be in the Canadian interest and enjoy broad support in the domestic industry concerned. To facilitate domestic consultation, a list of the requests received for accelerated elimination of both Canadian and U.S. tariffs will be published in a subsequent *Canada Gazette* notice. A comment period of 45 days will be provided.

In addition, advice will be sought from the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs). Once these domestic consultations have been completed, proposals for accelerated elimination of Canadian and U.S. tariffs will be subject to negotiation by the two Governments.

In order to provide sufficient time to hold domestic consultations and undertake negotiations with the United States, it is essential that all requests for accelerated tariff elimination be submitted by March 31, 1989. Changes to the staging of tariff elimination agreed by the Canadian and U.S. Governments will be implemented on January 1, 1990.

Requests for tariff acceleration should be submitted, in writing, to: Director, U.S. Tariffs and Market Access Division, Department of External Affairs, 50 O'Connor Street, 17th Floor, Ottawa, Ontario K1A 1J1 (Facsimile No.: 613-996-7411) and Director, Tariffs Division, Department of Finance, Ottawa, Ontario K1A 0G5 (Facsimile No.: 613-992-7347).

Submissions should specify the acceleration being requested (e.g. elimination on January 1, 1990, change from ten to five year phase-out, etc.) on Canadian and/or U.S. tariffs, and should include the following information:

1. Company name, address, phone, and point of contact.

This is Exhibit "II" referred to in the Affidavit of Peter A Magnus dated this 22 day of November 19 89.  
M. J. [Signature]  
A Commissioner etc., in and for the Province of Ontario.

## MINISTÈRES DES AFFAIRES EXTÉRIEURES ET DES FINANCES

### DÉPÔT DE DEMANDES D'ÉLIMINATION ACCÉLÉRÉE DES DROITS DE DOUANE, AU 31 MARS 1989, EN VERTU DE L'ACCORD DE LIBRE-ÉCHANGE ENTRE LE CANADA ET LES ÉTATS-UNIS

L'Accord de libre-échange (ALE) entre le Canada et les États-Unis, en vigueur depuis le 1<sup>er</sup> janvier 1989, prévoit l'élimination, d'ici le 1<sup>er</sup> janvier 1990, de tous les droits de douane sur les marchandises que s'échangent les deux parties. Les droits de douane sur de nombreux produits ont été éliminés au 1<sup>er</sup> janvier 1989, tandis que d'autres seront supprimés progressivement en cinq ou dix étapes égales.

L'article 401.5 de l'ALE prévoit l'élimination accélérée des droits applicables à la liste de chaque pays, sous réserve de consultations bilatérales.

Le présent avis a pour but de faire connaître la marche à suivre aux parties désireuses de déposer des demandes d'élimination accélérée des droits.

Le gouvernement a l'intention de tenir des consultations détaillées à l'égard de toutes les propositions soumises de part et d'autre de la frontière. Toute modification au calendrier d'élimination des droits prévu à l'ALE doit viser l'intérêt du Canada et être appuyée par l'industrie nationale concernée. Pour faciliter la consultation à l'échelle nationale, une liste des demandes reçues sera publiée dans la *Gazette du Canada* sous forme d'avis. Une période de 45 jours sera accordée pour permettre aux parties de formuler des observations.

En outre, on demandera l'avis du Comité consultatif sur le commerce extérieur et aux Groupes de consultation sectorielle sur le commerce extérieur. Une fois ces consultations nationales terminées, les propositions d'élimination accélérée des droits canadiens et américains seront assujetties au processus de négociation entre les deux administrations.

Pour favoriser la tenue de consultations nationales et amorcer les négociations avec les États-Unis, toutes les demandes d'élimination accélérée des droits devront être déposées avant le 31 mars 1989. Les modifications au calendrier d'élimination des droits approuvées par les administrations canadienne et américaine seront mises en œuvre le 1<sup>er</sup> janvier 1990.

Les demandes d'élimination accélérée des droits doivent être écrites et adressées aux personnes suivantes: Directeur, Direction des tarifs et de l'accès aux marchés des États-Unis, Ministère des Affaires extérieures, 50, rue O'Connor, 17<sup>e</sup> étage, Ottawa (Ontario) K1A 1J1 (Télécopieur: 613-996-7411) et Directeur, Division des tarifs, Ministère des Finances, Ottawa (Ontario) K1A 0G5 (Télécopieur: 613-992-7347).

Le rythme de l'accélération demandée (par exemple, élimination au 1<sup>er</sup> janvier 1990, modification de la période de retrait progressif (de dix à cinq ans), etc.) à l'égard des tarifs canadiens ou américains, ou les deux, doit être précisé dans la demande; cette dernière doit renfermer les renseignements suivants:

1. La raison sociale, l'adresse et le numéro de téléphone de la société, et le nom de la personne ressource.

8412.90	8431.49 10	8501.32	8512.90	8524.22	8536.49.00	8606.30.00
8413.19.00	8433.11.00	8501.33	8514.10.00	8524.23	8536.50.00	8606.91.00
8413.20.00	8450.11.00	8501.34	8514.20.00	8524.90	8536.69.00	8606.92.00
8413.30	8451.21.00	8501.40	8514.30.00	8525.10	8536.90.00	8606.99.00
8413.60.00	8451.90.00	8501.51	8514.40.00	8525.20	8537.10.00	8607.11.00
8413.70	8458.99	8501.52	8514.90.00	8525.30.00	8537.20.00	8607.12.00
8413.91	8460.21.00	8501.53	8515.11.00	8526.10.00	8538.10.00	8607.19
8414.10.00	8460.40.00	8501.61.00	8515.19.00	8526.91.00	8538.90.00	8607.30
8414.59	8460.90.00	8501.62.00	8515.21.00	8526.92.00	8539.10.00	8607.91.00
8414.80	8462.29.00	8501.63.00	8515.29.00	8527.11	8539.21	8607.99
8414.90	8465.93.00	8501.64.00	8515.31.00	8527.31	8539.22	8608.00.00
8415.10.00	8466.93	8503.00	8515.39.00	8527.32.00	8539.29	8701.30
8418.50.00	8472.10.00	8504.10.00	8515.80.00	8527.39.00	8539.31.00	8701.90
8418.61.00	8472.90	8504.21.00	8515.90	8527.90	8539.39.00	8703.21.00
8418.69.00	8473.10.00	8504.23.00	8516.10.00	8528.10	8539.40	8705.40.00
8418.99.00	8473.40	8504.31	8516.29.00	8529.10	8539.90.00	8705.90.00
8419.50.00	8477.30.00	8504.40.00	8516.40.40	8529.90	8540.11.00	8707.10.00
8419.81.90	8477.80.00	8504.90.00	8516.60	8531.10.00	8540.20	8707.90
8419.89	8477.90.00	8505.11.00	8516.71.00	8531.20.00	8540.30.00	8708.10.00
8419.90	8479.89	8506.11.00	8516.72.00	8531.80.00	8540.41	8708.21.00
8421.21.00	8479.90	8506.12.00	8516.79.00	8531.90.00	8540.42.00	8708.29.00
8421.23.00	8481.10.00	8506.13.00	8516.80.80	8532.10.00	8540.49.00	8708.31
8421.29.00	8481.30	8506.19.00	8516.90.60	8532.21.00	8541.60.00	8708.39
8421.31.00	8481.40.00	8506.20.00	8517.30.15	8532.22.00	8543.20.00	8708.40
8421.99.00	8481.80	8506.90.00	8517.30.25	8532.23.00	8543.80	8708.50
8422.19.00	8481.90	8507.10.00	8517.40	8532.24.00	8543.90	8708.60
8422.30	8482.10	8507.20.00	8517.81.00	8532.25.00	8544.11.00	8708.70
8422.90.05	8482.20.00	8507.30.00	8517.82.00	8532.29.00	8544.19.00	8708.80
8424.20	8482.30.00	8507.40.00	8517.90	8532.30.00	8544.20.00	8708.91
8424.30	8482.40.00	8507.80.00	8518.10.00	8532.90.00	8544.30.00	8708.92
8424.81	8482.50.00	8507.90	8518.21.00	8533.10.00	8544.41.00	8708.93
8424.89.00	8482.91.00	8508.10.00	8518.22.00	8533.21.00	8544.49.00	8708.94
8425.31.00	8482.99	8508.20.00	8518.29.00	8533.29.00	8544.51	8708.99
8425.41.00	8483.10	8508.80.00	8518.30	8533.31.00	8544.59	8712.00
8425.42.00	8483.30	8509.10.00	8518.40	8533.39.00	8544.60	8714.99
8426.49.00	8483.40	8509.20.00	8518.50.00	8533.40.00	8544.70.00	8716.31.00
8428.10.00	8483.60	8509.40.00	8518.90	8533.90.00	8545.90	8716.39.00
8428.20.00	8483.90.10	8509.80.00	8522.90.40	8534.00.00	8546.90.00	8716.40.00
8428.39.00	8483.90.20	8509.90.20	8522.90.90	8535.10.00	8547.20.00	8716.80
8428.90.00	8483.90.30	8509.90.30	8523.11.00	8535.21.00	8547.90.00	8716.90.50
8429.20.00	8483.90.50	8511.10.00	8523.12.00	8535.29.00	8548.00.00	8903.10.00
8429.51.10	8483.90.80	8511.20.00	8523.13.00	8535.30.00	8602.10.00	8903.91.00
8430.49.80	8485.90.00	8511.30.00	8523.20.00	8535.40.00	8604.00.00	8903.92.00
8431.31.00	8501.10	8511.90	8523.90.00	8535.90.00	8605.00.00	8903.99
8431.39.00	8501.20	8512.20	8524.10.00	8536.10.00	8606.10.00	8905.90
8431.42.00	8501.31	8512.40	8524.21	8536.41.00	8606.20.00	9002.11.40

This is Exhibit "3" referred to in the  
Affidavit of Peter A. Magnus  
dated this 27 day of December  
19 89  
A Commissioner etc., in and for the  
Province of Ontario.

writing to the U.S. Government Printing Office, P.O. Box 37082, Washington, DC 20013-7082. Copies may also be purchased from the National Technical Information Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, Virginia 22161.

Dated at Rockville, Maryland, this 10th day of July 1989.

For the Nuclear Regulatory Commission.  
Walter R. Butler,

Director, Project Directorate I-2, Division of Reactor Projects I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 89-16660 Filed 7-14-89; 8:45 am]

BILLING CODE 7590-01-M

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Implementation of the Accelerated Tariff Elimination Provision in the United States; Canada Free-Trade Agreement

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of articles under consideration for negotiations with the Canadian Government for accelerated tariff elimination.

**SUMMARY:** Section 201(b) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 ("FTA Implementation Act") grants the President, subject to the consultation and layover requirements of section 103 of that Act, the authority to proclaim any accelerated schedule for duty elimination that may be agreed to by the

United States and Canada under FTA Article 401(5). This notice is intended to inform the public of those articles that may be the subject of negotiations between the United States and Canada for accelerated tariff elimination.

**Additional Information:** Further information on this subject may be found in the **Federal Register** notice of January 23, 1989, Volume 54, Number 13, at pages 3175 and 3176. A list of abbreviated descriptions of the articles provided for in the tariff chapters, headings, and subheadings listed in Annexes I and II below, can be obtained by contacting Frances Birdsall at the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22061, telephone (703) 487-4650. Inquiries regarding this notice or other aspects of the implementation of accelerated tariff elimination under the FTA should be directed to the Office of North American Affairs, Office of the U.S. Trade Representative, Room 501, 600 17th Street, NW., Washington, DC 20506, telephone (202) 395-5663.

#### Request for Comments

Comments supporting or opposing accelerated U.S. or Canadian duty elimination on articles provided for in the tariff chapters, headings, and subheadings listed in Annex I or Annex II will be accepted until August 18, 1989. Comments should be type-written and submitted in eight copies to Rick Ruzicka, Director for Canadian Affairs, Office of North American Affairs, Office of the United States Trade Representative, Room 501, 600 17th

Street, NW., Washington, DC 20506. All submissions must specify the United States and/or Canadian tariff chapter, heading or subheading to which the comments refer, and must include the name, address and telephone number of the person, firm or organization making the comments.

#### Advice of the International Trade Commission

The International Trade Commission is being furnished with the list of articles published in this notice for the purpose of securing from the Commission its judgment as to the probable economic effect of acceleration of elimination of United States duties on industries producing like or directly competitive articles and on consumers.

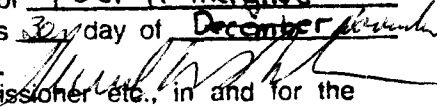
#### Articles That May Be Considered in Negotiations

Except as noted, all articles provided for in the chapters, headings, and subheadings of the Harmonized Tariff Schedule of the United States that are listed in Annex I to this notice, and in the chapters, headings, and subheadings of the Customs Tariff of Canada that are listed in Annex II, may be subject to negotiations with Canada for accelerated duty elimination. These lists include all articles for which acceleration of tariff elimination has been requested in petitions submitted either to the Government of the United States or to the Government of Canada.

Charles E. Rob, Jr.,

Acting Assistant U.S. Trade Representative for North American Affairs.

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This is Exhibit "4" referred to in the Affidavit of Peter A. Margus dated this 30 day of December 19 89.  
  
A Commissioner, etc., in and for the Province of Ontario.

This is Exhibit "5" referred to in the Affidavit of Peter A. Magnus dated this 30 day of December 19 89  
*Magnus*  
A Commissioner etc., in and for the Province of Ontario.

8501.34	U	gear motors
8501.51	U	gear motors
8501.53	U	gear motors
8504.23	C/U	auto-transformers with an individual base MVA exceeding 100 but not exceeding 300, regardless of voltage classification; other transformers with a base MVA exceeding 50 but not exceeding 275, regardless of voltage classification; other transformers, with an individual voltage classification of 765 or greater
8504.90	C/U	bushings and tap changers for the electrical power transformers specified in the product description in 8504.23 above.
8509.40	C/U	food processors and food grinders
8523.13	C	unrecorded video tape, 3/4 inch or greater in width
8525.20	C/U	all products except paging devices
8529.10	C/U	antennas for land mobile transceivers, cellular telephones or radio and television transmitters
8539.21	C/U	all products except lamps for automobiles
8716.39	U	aluminum construction drop centre livestock trailers having a gvw of 11.778 tonnes or more and a length exceeding 12 metres
8903.99	C/U	personal watercraft, being vessels of five metres or less in overall length that are inboard powered, water-jet driven, and designed to be operated while sitting, standing or kneeling on, rather than sitting in, as in conventional vessels
9032.89	C/U	electronic logic panels and accessories for multi zone control  automatic regulation or control instruments, fan and humidity controls and pneumatically controlled valves