

Annex II
Schedule of Canada

Sector: Aboriginal Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles__ Services & Investment)
Most-Favoured-Nation Treatment (Articles____ Services & Investment)
Local Presence (Article__ Services)
Performance Requirements (Article____ Investment)
Senior Management and Boards of Directors
(Article____ Investment)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure denying investors of a Contracting Party and their investments, or service providers of a Contracting Party, any rights or preferences provided to aboriginal peoples.

Existing Measures: *Constitution Act, 1982*, being Schedule B of the Canada Act 1982 (U.K.), 1982, c. 11

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article ___ Investment)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to residency requirements for the ownership by investors of a Contracting Party, or their investments, of oceanfront land.

Existing Measures:

Sector:	Communications
Sub-Sector:	Telecommunications Transport Networks and Services Radiocommunications
Industry Classification:	CPC 752 Telecommunication Services CPC 753 Radio and Television Cable Services CPC 7543 Connection Services CPC 7549 Other Telecommunication Services Not Elsewhere Classified
Type of Reservation:	National Treatment (Article ___ Investment) Senior Management and Boards of Directors (Article ___ Investment)
Description:	Investment Canada reserves the right to adopt or maintain any measure: <ul style="list-style-type: none"> (a) permitting foreign investment in facilities-based telecommunications service suppliers up to no more than a cumulative total of 46.7% of voting shares (based on 20% direct investment and 33.3% indirect investment); (b) requiring that facilities-based telecommunications service suppliers be controlled in fact by Canadians; (c) requiring that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian; (d) subjecting facilities-based telecommunications service suppliers that exceeded the permissible cumulative foreign investment level on 22 July 1987 and continue to exceed this level to restrictions. <p>Exceptions to this reservation are:</p> <ul style="list-style-type: none"> (a) foreign investment is allowed up to 100% for suppliers conducting operations under an international submarine cable licence; (b) mobile satellite systems owned and controlled up to a level of 100% by a foreign service provider may be used by a Canadian service provider to provide services in Canada; and (c) fixed satellite systems owned and controlled up to a level of 100% by foreign service providers may be used to provide services between points in Canada and all points outside of Canada.
Existing Measures:	<i>Telecommunications Act</i> , S.C. 1993, c. 38 <i>Canadian Telecommunications Common Carrier Ownership and Control Regulations</i> SOR/94-667 <i>Radiocommunications Act</i> , R.S.C. 1985, c. R-2 <i>Radiocommunication Regulations</i> SOR/96-484

Sector:	Communications
Sub-Sector:	Telecommunications Transport Networks and Services, Radiocommunications Telecommunication Services
Industry Classification:	CPC 752 Telecommunications Services CPC 75232 Electronic Message and Information Services CPC 7529 Other Telecommunication Services CPC 7543 Connection Services CPC 7549 Other Telecommunications Services Not Elsewhere Classified
Type of Reservation:	Local Presence (Article ____ Services) National Treatment (Article ____ Investment) Senior Management and Boards of Directors (Article ____ Investment)
Description:	Cross-Border Services and Investment Canada reserves the right to adopt or maintain any measure relating to the provision of or investment in telecommunications services classified in CPC 7529 and CPC 7549, excluding mobile services. Such measures may include limitations on market access and restrictions on foreign ownership and control, as well as measures concerning boards of directors.
Existing Measures:	<i>Broadcasting Act, S.C. 1991, c.11</i> <i>Direction to the CRTC (Ineligibility of Non-Canadians) SOR/97-192</i> <i>Radiocommunication Act, R.S.C. 1985, c. R-2</i> <i>Radiocommunication Regulations SOR/96-484</i> <i>Telecommunications Act, S.C. 1993, c. 38</i> <i>Canadian Telecommunications Common Carrier Ownership and Control Regulations SOR/94-667</i>

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services,
Radiocommunications

Industry Classification: CPC 752 Telecommunications Services
CPC 7543 Connection Services
CPC 7549 Other Telecommunications Services Not Elsewhere
Classified (limited to telecommunications transport
networks and services)

Type of Reservation: National Treatment (Article ___ Services & Investment)

Description: Investment

Canada reserves the right to adopt or maintain any measure that may limit competition in the provision of interexchange voice telephone service in the serving areas of Northwestel Inc., Ontario Northland Transportation Commission, and Prince Rupert City Telephones.

Existing Measures: *Telecommunications Act*, S.C. 1993, c.38

Radiocommunication Act, R.S.C. 1985, c. R-2

Sector: Communications

Sub Sector: Telecommunications Transport Networks and Services

Industry Classification: CPC 752 Telecommunications Services
CPC 7543 Connection Services
CPC 7549 Other Telecommunications Services Not
Elsewhere Classified (limited to
telecommunications transport networks and
services)

Type of Reservation: National Treatment (Article ___ Services & Investment)

Description: Investment

Canada reserves the right to adopt or maintain any measure that may limit competition in the provision of local wireline telephone services in the serving areas of Northwestel Inc., Ontario Northland Transportation Commission, Prince Rupert City Telephones, Telus Communications (Edmonton) Inc. and the other independent telephone companies listed in CRTC Telecom Public Notice 95-15.

Existing Measure: *Telecommunications Act*, S.C. 1993, c. 38

Sector: Government Finance

Sub-Sector: Securities

Industry Classification: SIC 8152 Finance and Economic Administration

Type of Reservation: National Treatment (Article ____ Investment)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to the acquisition, sale or other disposition by nationals of a Contracting Party of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada, a province or local government.

Existing Measures: *Financial Administration Act*, R.S.C. 1985, c. F-11

Sector: Minority Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles ___ Services & Investment)
Local Presence (Article ___ Services)
Performance Requirements (Article ___ Investment)
Senior Management and Boards of Directors
(Article ___ Investment)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measures:

Sector: Social Services

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles ___ Services & Investment)
Most-Favoured-Nation Treatment (Article ___ Services)
Local Presence (Article ___ Services)
Senior Management and Boards of Directors
(Article ___ Investment)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.

Existing Measures:

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 451 Air Transport Industries
Type of Reservation:	<p>National Treatment (Articles ____ Investment & Services)</p> <p>Most-Favoured-Nation Treatment (Articles ____ Investment & Services)</p> <p>Local Presence (Article ____ Services)</p> <p>Senior Management and Boards of Directors (Article ____ Investment)</p>
Description:	<p>Investment and Cross-Border Services</p> <p>Canada reserves the right to adopt or maintain any measure relating to the provision of commercial air services, including:</p> <p>(a) "domestic services" (air services between points, or from and to the same point, in the territory of Canada, or between a point in the territory of Canada and a point not in the territory of another country);</p> <p>(b) "scheduled international services" (scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under existing or future air services agreements;</p> <p>(c) "non-scheduled international services" (non-scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under the <i>Canada Transportation Act</i>.</p> <p>(d) "specialty air services" (include, but are not limited to: aerial mapping, aerial surveying, aerial photography, forest fire management, fire-fighting, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing and aerial crop spraying).</p> <p>Canada also reserves the right to adopt or maintain any measure relating to:</p> <p>1) the acquisition or establishment of an investment in Canada for the provision of commercial air services, including those listed above, and</p> <p>2) the ownership of Canadian-registered aircraft for private use.</p>
Existing Measures:	<p><i>Canada Transportation Act</i>, S.C. 1996, c.10</p> <p><i>Aeronautics Act</i>, R.S.C. 1985, c.A-2</p> <p><i>Canadian Aviation Regulations</i></p> <ul style="list-style-type: none"> • Part II "Aircraft Markings & Registration" • Part IV "Personnel Licensing & Training" • Part VII "Commercial Air Services"

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 4523 Aircraft Servicing Industry SIC 3211 Aircraft and Aircraft Parts Industry
Type of Reservation:	National Treatment (Article ____ Services) Most Favoured Nation Treatment (Article ____ Services) Local Presence (Article ____ Services)
Description:	Cross-Border Services Canada reserves the right to adopt or maintain any measure relating to aircraft and other aeronautical product repair, overhaul or maintenance activities. This includes the right to selectively negotiate agreements with other aeronautical authorities or service providers to recognize their accreditation of repair, overhaul and maintenance facilities and certification by such facilities of work performed on Canadian-registered aircraft and other related aeronautical products.
Existing Measures:	<i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> · Part IV “Personnel Licensing & Training” · Part V “Airworthiness” · Part VI “General Operating & Flight Rules” · Part VII “Commercial Air Services”

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification:

- SIC 4129 Other Heavy Construction (limited to dredging)
- SIC 4541 Freight and Passenger Water Transport Industry
- SIC 4542 Ferry Industry
- SIC 4543 Marine Towing Industry
- SIC 4549 Other Water Transport Industries
- SIC 4552 Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)
- SIC 4553 Marine Salvage Industry
- SIC 4554 Piloting Service, Water Transport Industry
- SIC 4559 Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)

Type of Reservation:

- National Treatment (Articles _____ Services & Investment)
- Most-Favoured-Nation Treatment (Articles _____ Services & Investment)
- Local Presence (Article _____ Services)
- Performance Requirements (Article _____ Investment)
- Senior Management and Boards of Directors (Article _____ Investment)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure relating to the investment in or provision of marine cabotage services, including:

- (a) the transportation of either goods or passengers by ship between points in the territory of Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and
- (b) the engaging by ship in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

This reservation relates to, among other things, local presence requirements for services providers entitled to participate in these activities, criteria for the issuance of a temporary cabotage license to foreign ships and limits on the number of cabotage licenses issued to foreign ships.

Existing Measures:

Coasting Trade Act, S.C., 1992, c. 31

Canada Shipping Act, R.S.C., 1985, c. S-9

Customs Act, R.S.C., 1985, c.1 (2nd Supp.)

Customs and Excise Offshore Application Act, R.S.C., 1985, c. C-53

Sector:	Transportation
Sub-Sector:	Water Transportation
Industry Classification:	SIC 4541 Freight and Passenger Water Transport Industry SIC 4542 Ferry Industry SIC 4543 Marine Towing Industry SIC 4549 Other Water Transport Industries SIC 4551 Marine Cargo Handling Industry SIC 4552 Harbour and Port Operation Industries SIC 4553 Marine Salvage Industry SIC 4554 Piloting Service, Water Transport Industry SIC 4559 Other Service Industries Incidental to Water Transport
Type of Reservation:	Most-Favoured-Nation Treatment (Article ____ Services)
Description:	<p>Cross-Border Services</p> <p>Canada reserves the right to adopt or maintain any measure relating to the implementation of agreements, arrangements and other formal or informal undertakings with other countries with respect to maritime activities in waters of mutual interest in such areas as pollution control (including double hull requirements for oil tankers), safe navigation, barge inspection standards, water quality, pilotage, salvage, drug abuse control and maritime communications.</p>
Existing Measures:	<p><i>United States Wreckers Act</i>, R.S.C. 1985, c. U-3 Various agreements and arrangements, including:</p> <ul style="list-style-type: none"> (a) Memorandum of Arrangements on Great Lakes Pilotage; (b) Canada - United States Joint Marine Pollution Contingency Plan; (c) Agreement with the United States on Loran "C" Service on the East and West Coasts; and (d) Denmark - Canada Joint Marine Pollution Circumpolar Agreement.

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4541 Freight and Passenger Water Transport Industry
SIC 4542 Ferry Industry
SIC 4543 Marine Towing Industry
SIC 4549 Other Water Transport Industries
SIC 4553 Marine Salvage Industry
SIC 4559 Other Service Industries Incidental to Water

Type of Reservation: National Treatment (Articles ___ Services & Investment)
Most-Favoured-Nation Treatment (Articles ___ Services & Investment)
Local Presence (Article ___ Services)
Senior Management and Boards of Directors (Article ___ Investment)

Level of Government: Federal

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure relating to the registration or listing of a ship in Canada.

Existing Measures: *Canada Shipping Act*, R.S.C. 1985, c. S-9, Part I