ANNEX II Schedule of Canada

SECTOR: Aboriginal Affairs

SUB-SECTOR:

INDUSTRY CLASSIFICATION:

TYPE OF RESERVATION: National Treatment (Articles 1102, 1202) Most-Favored-Nation Treatment (Articles 1103, 1203) Local Presence (Article 1205) Performance Requirements (Article 1106) Senior Management (Article 1107)

DESCRIPTION: Investment and Cross-Border Services

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

LEGAL CITATION OF EXISTING MEASURES:

[Constitution Act, 1982 and any relevant legislation or policy]

ANNEX II Schedule of Canada

SECTOR: Social Services

SUB-SECTOR:

INDUSTRY CLASSIFICATION:

TYPE OF RESERVATION: National Treatment (Articles 1102, 1202) Local Presence (Article 1205) Senior Management (Article 1107)

DESCRIPTION: Investment and Cross-Border Services

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.

LEGAL CITATION OF EXISTING MEASURES:

SECTOR: Communications

SUB-SECTOR: Telecommunications Transport Networks and Services, Radiocommunications and Submarine Cables

INDUSTRY CLASSIFICATION: CPC 752 Telecommunications Services

TYPE OF RESERVATION: National Treatment (Article 1102) Most-Favored-Nation Treatment (Article 1103) Senior Management (Article 1107)

DESCRIPTION: Investment

Canada reserves the right to adopt or maintain any measure relating to investment in telecommunications transport networks and telecommunications transport services, radiocommunications and submarine cables, including ownership restrictions and measures concerning corporate officers and directors and place of incorporation.

This reservation does not apply to providers of Value-Added Networks (CPC 752323) and Other Message Services (CPC 752329) whose underlying telecommunications transmission facilities are leased from providers of public telecommunications transport networks.

LEGAL CITATION OF EXISTING MEASURES: Bell Canada Act, S.C. 1987, c.19

British Columbia Telephone Company Special Act, S.C. 1916, c.66

Teleglobe Canada Reorganization and Divestiture Act, R.S.C. 1985, c.T-4

Telesat Canada Act, R.S.C. 1985, c.T-6

Radiocommunication Act, R.S.C. 1985, c.R-2; as amended by S.C.1989 c.1, c.17

Telegraphs Act R.S.C. 1985, c.T-5

Telecommunications Policy Framework, 1987

Telecommunications Act (Bill C-62)

SECTOR: Communications

SUB-SECTOR: Telecommunications Transport Networks and Services, Radiocommunications and Submarine Cables

INDUSTRY CLASSIFICATION: CPC 752 Telecommunication Services (not including CPC 752323 value-Added Network Service or CPC 752329 Other Message Services)

TYPE OF RESERVATION: National Treatment (Article 1202) Most-Favored-Nation Treatment (Article 1203) Local Presence (Article 1205)

DESCRIPTION: Cross-Border Services

Canada reserves the right to adopt or maintain any measure relating to radio-communications, submarine cables, and the provision of telecommunications transport networks and telecommunications transport services. These measures apply to such matters as market entry, spectrum assignment, tariffs, intercarrier agreements, terms and conditions of service, interconnection between networks and services, and routing requirements that impede the provision of telecommunications transport networks and telecommunications transport services, radio communication and submarine cables, on a cross-border basis.

Telecommunications transport services typically involve the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information, whether or not such services are offered to the public generally. These services include voice and data services by wire, radiocommunication or any other electromagnetic means of transmission.

This reservation does not apply to measures relating to the cross-border provision of enhanced or value-added services.

LEGAL CITATION OF EXISTING MEASURES: Bell Canada Act, S.C. 1987, c. 19

> British Columbia Telephone Company Special Act, S.C. 1916, c.66

Railway Act, R.S.C. 1985, c.R-3

Radiocommunication Act, R.S.C. 1985, c.R-2; as amended by S.C. 1989, c.1, c.17

Telegraphs Act, R.S.C. 1985, c.T-5

Telecommunications Policy Framework, 1987

Telecommunications Act (Bill C-62)

CRTC Decisions, including (85-19), (90-3), (91-10), (91-21), (92-11), (92-12)

Annex II Schedule of Canada

SECTOR: Government Finance

SUB-SECTOR: Securities

INDUSTRY CLASSIFICATION:

TYPE OF RESERVATION: National Treatment (Article 1102)

DESCRIPTION: Investment

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

LEGAL CITATION OF EXISTING MEASURES: Financial Administrative Act, R.S.C., 1985, Chap. F-11

ANNEX II Schedule of Canada

SECTOR: minority Affairs

SUB-SECTOR:

INDUSTRY CLASSIFICATION:

TYPE OF RESERVATION: National Treatment (Articles 1102, 1202) Local Presence (Article 1205) Performance Requirements (Article 1106) Senior Management (Article 1107)

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.

LEGAL CITATION OF EXISTING MEASURES: None

SECTOR: Transportation

SUB-SECTOR: Air Transportation

INDUSTRY CLASSIFICATION: SIC 4513 Non-Scheduled Air Transport, Specialty Industry

TYPE OF RESERVATION: National Treatment (Article 1102) Most-Favored-Nation Treatment (Article 1103) Senior Management (Article 1107)

DESCRIPTION: Investment

Canada reserves the right to adopt or maintain any measure that restricts the acquisition or establishment of an investment in Canada for the provision of specialty air services to a Canadian national or a corporation incorporated and having its principal place of business in Canada, its chief executive officer and not fewer than 2/3 of its directors as Canadian nationals, and not less than 75% of its voting interest owned and controlled by persons otherwise meeting these requirements.

LEGAL CITATION OF EXISTING MEASURES: Aeronautics Act, R.S.C., 1985, c. A-2

Air Regulations, C.R.C., Vol.I, c.2

Air Regulations Series 2, No.2 (Aircraft Marking and Registration Regulations), SOR/90-591

ANNEX II Schedule of Canada

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 4552 Harbour and Port Operation

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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: National Treatment (Articles 1102, 1202) Most-Favored-Nation Treatment (Articles 1103, 1203) Local Presence (Article 1205) Performance Requirements (Article 1106) Senior Management (Article 1107)

DESCRIPTION: Cross-Border Services and Investment

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

(a) the transportation of goods or passengers by vessel between points in the territory of Canada and the Exclusive Economic Zone;

(b) with respect to waters above the continental shelf, the transportation of goods in relation to the exploration, exploitation, or transportation of the mineral or non-living natural resources of the continental shelf; and

(c) the engaging by vessel in any maritime activity of a commercial nature in the territory of Canada and the Exclusive Economic Zone and, with respect to waters above the continental shelf, in such other maritime activities of a commercial nature in relation to the exploration, exploitation or transportation of mineral or nonliving natural resources of the continental shelf.

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

LEGAL CITATION OF 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

ANNEX II Schedule of Canada

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 Marine Transport Industries SIC 4551 Marine Cargo Handling

Industry

SIC 4552 Harbour and Port OperationIndustry

SIC 4553 Marine Salvage Industry

SIC 4554 Piloting Service, Water Transport Industry

SIC 4559 Other Service Industries Incidental to Water Transport TYPE OF RESERVATION: National Treatment (Articles 1102, 1202) Most-Favored-Nation Treatment (Articles 1103, 1203) Local Presence (Article 1205) Performance Requirements (Article 1106) Senior Management (Article 1107)

DESCRIPTION: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure denying service providers or investors of the United States, or their investments, the benefits accorded service providers or investors of Mexico or any other country, or their investments, in sectors equivalent to those subject to the maritime services reservation inscribed in page II-U-8.

LEGAL CITATION OF EXISTING MEASURES: None

ANNEX II Schedule of Canada

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 Marine Transport Industries

SIC 4551 Marine Cargo Handling Industry

SIC 4552 Harbour and Port Operation Industry

SIC 4553 Marine Salvage Industry

SIC 4554 Piloting Service, Water Transport Industry

SIC 4559 Other Service Industries Incidental to Water Transport TYPE OF RESERVATION: National Treatment (Article 1202) Most-Favored-Nation Treatment (Article 1203) Local Presence (Article 1205)

DESCRIPTION: Cross-Border Services

Canada reserves the right to adopt or maintain any measure relating to the implemention 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.

LEGAL CITATION OF EXISTING MEASURES: United States Wreckers Act, R.S.C. 1985, c. U-3

Various Agreements and Arrangements, including:

(a) Memorandum or Arrangement on Great Lakes Pilotage;

(b) Canada-United-States Joint Marine Pollution Circumpolar Agreement;

(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.