

Original: English

CANADA – CERTAIN MEASURES CONCERNING PERIODICALS

Status Report by Canada

Addendum

The following communication, dated 8 September 1998, from the Permanent Mission of Canada to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the Recommendations and Rulings in the Dispute Regarding Canada – Certain Measures Concerning Periodicals Panel Report (WT/DS31/R) and Appellate Body Report (WT/DS31/AB/R)

In keeping with the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Canada is obliged to inform the Dispute Settlement Body ("DSB") of the status of implementation of the recommendations and rulings in the dispute regarding "Canada-Certain Measures Concerning Periodicals". This matter will again be on the agenda of the DSB on 22 September 1998 and, as provided for in Article 21.6 of the DSU, Canada presents its fifth report.

The Government of Canada has announced that it will, in conformity with the DSB rulings and recommendations in this matter:

- repeal, by way of Executive Order, the existing custom tariff (Tariff code 9958) prohibiting the importation of Canadian editions of foreign magazines ("split-run" magazines) and foreign magazines with more than 5% of their advertisements directed at the Canadian market;
- eliminate Part V.1 of the *Excise Tax Act* which imposes an 80% excise tax on the value of all advertisements directed at the Canadian market contained in split-run editions of magazines distributed in Canada. Amendments to the Excise Tax Act must receive Parliamentary approval through the legislative process for bills. The Government will table a bill this autumn through a Ways and Means motion;
- restructure the administration of the postal subsidy program by making payments directly to magazine publishers' accounts at Canada Post for each eligible magazine mailed. Publishers will be billed by Canada Post for the full cost of mailing minus the subsidy they receive; and
- harmonize the commercial postal rates for domestic and foreign publications by reducing the foreign rate (43 cents) to the Canadian rate (38 cents).

These changes will be implemented effective 30 October, 1998.
