4 February 2016

The Honourable Todd McClay
Minister of Trade
New Zealand

Dear Minister,

In connection with the signing on this date of the Trans-Pacific Partnership Agreement (the Agreement), I have the honour to confirm the following understandings reached between the Government of Canada and the Government of New Zealand during the course of negotiation regarding the treatment of New Zealand wine and distilled spirits:

1. If a state owned enterprise of a regional level of government in Canada applies a cost of service differential to an imported wine or distilled spirit associated with the distribution, marketing or sale of the imported product, that cost of service differential will not exceed the actual difference in the costs of the distribution, marketing and sale of an imported wine or distilled spirit compared to the cost of distribution, marketing and sale of a like domestic wine or distilled spirit.

2. If a cost of service differential applied to a wine or distilled spirit product from a non-Party to this Agreement is applied on a basis other than the value of the product pursuant to an agreement with that non-Party, the cost of service differential referred to in paragraph 1 will be applied on the same basis under this Agreement.

3. If a mark-up, cost of service or other pricing measure is adopted or maintained within the scope of Annex 2-A (Measures of Canada, paragraph (f)) with respect to the internal sale or distribution of a wine or distilled spirit, those measures will accord treatment no less favourable than the treatment accorded to a like wine or distilled spirit of any other Party to the Agreement or a non-Party.
4. If a state owned enterprise of a regional level of government in Canada applies a cost of service differential with respect to the internal sale and distribution of wine and distilled spirits, that cost of service differential will be made available through publicly accessible means, such as its official website.

I have the honour of proposing that this letter, equally valid in French and English, and your letter in reply, confirming that your Government shares these understandings, will constitute an understanding between our Governments that will come into effect on the first date on which the Agreement is in force for both Canada and New Zealand.

Yours sincerely

[Signature]

The Honourable Chrystia Freeland
Minister of International Trade
Canada
Le 4 février 2016

L’honorable Todd McClay
Ministre du Commerce
Nouvelle-Zélande

Monsieur le Ministre,

Dans le cadre de la signature en ce jour de l’Accord sur le Partenariat transpacificque (l’Accord), j’ai l’honneur de confirmer l’entente qui suit, intervenue entre le gouvernement du Canada et le gouvernement de la Nouvelle-Zélande au cours des négociations concernant le traitement accordé aux vins et aux spiritueux de la Nouvelle-Zélande :

1. Si une entreprise d’État d’un niveau de gouvernement régional au Canada applique un écart entre les frais de service à du vin ou à des spiritueux importés, qui est associé à la distribution, à la commercialisation ou à la vente desdits produits importés, cet écart entre les frais de service ne dépassera pas la différence réelle entre les frais associés à la distribution, à la commercialisation et à la vente du vin et des spiritueux importés et les frais associés à la distribution, à la commercialisation et à la vente de vins et de spiritueux nationaux similaires.

2. Si un écart entre les frais de service est appliqué à du vin ou à des spiritueux importés d’une entité non partie à l’Accord sur une base autre que la valeur du produit, conformément à un accord avec cette entité, l’écart entre les frais de service mentionné au paragraphe 1 s’appliquera sur la même base aux termes de cet Accord.

3. Si une majoration, frais de service ou d’autres mesures visant les prix sont adoptés ou maintenus aux termes de l’annexe 2-A (Mesures du Canada, alinéa f) en ce qui concerne la vente ou la distribution internes de vins et de spiritueux, ces mesures assureront un traitement au moins aussi favorable que celui qui est accordé aux vins et aux spiritueux similaires de toute autre Partie ou entité non partie à l’Accord.
4. Si une entreprise d’État d’un niveau de gouvernement régional au Canada applique un écart entre les frais de service associé à la vente et la distribution internes de vins et de spiritueux, cet écart entre les frais de service est rendu publiquement accessible, par exemple sur son site Web officiel.

J’ai l’honneur de proposer que la présente lettre, dont les versions française et anglaise font également foi, et la réponse que vous donnerez à celle-ci, confirmant l’acceptation de votre gouvernement, constituent une entente entre nos gouvernements qui prend effet le premier jour de l’entrée en vigueur de l’Accord pour le Canada et la Nouvelle-Zélande.

Sincèrement,

[Signature]

L’honorable Chrystia Freeland
Ministre du Commerce international
Canada
4 February 2016

The Honourable Chrystia Freeland
Minister of International Trade
Canada

Dear Minister Freeland

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“In connection with the signing on this date of the Trans-Pacific Partnership Agreement (the Agreement), I have the honour to confirm the following understandings reached between the Government of Canada and the Government of New Zealand during the course of negotiation regarding the treatment of New Zealand wine and distilled spirits:

1. If a state owned enterprise of a regional level of government in Canada applies a cost of service differential to an imported wine or distilled spirit associated with the distribution, marketing or sale of the imported product, that cost of service differential will not exceed the actual difference in the costs of the distribution, marketing and sale of an imported wine or distilled spirit compared to the cost of distribution, marketing and sale of a like domestic wine or distilled spirit.

2. If a cost of service differential applied to a wine or distilled spirit product from a non-Party to this Agreement is applied on a basis other than the value of the product pursuant to an agreement with that non-Party, the cost of service differential referred to in paragraph 1 will be applied on the same basis under this Agreement.

3. If a mark-up, cost of service or other pricing measure is adopted or maintained within the scope of Annex 2-A (Measures of Canada, paragraph (f)) with respect to the internal sale or distribution of a wine or distilled spirit, those measures will accord treatment no less favourable than the treatment accorded to a like wine or distilled spirit of any other Party to the Agreement or a non-Party.

4. If a state owned enterprise of a regional level of government in Canada applies a cost of service differential with respect to the internal sale and distribution of wine and distilled spirits, that cost of service differential will be made available through publicly accessible means, such as its official website.

I have the honour of proposing that this letter, equally valid in French and English, and your letter in reply, confirming that your Government shares these understandings, will constitute an understanding between our Governments that
will come into effect on the first date on which the Agreement is in force for both Canada and New Zealand."

I have the honour to confirm that the above reflects the understandings reached between the Governments of New Zealand and Canada during the course of negotiations on the Agreement, and that your letter, equally valid in French and English, and this letter in reply, constitute an understanding between our Governments that will come into effect on the first date on which the Agreement is in force for both New Zealand and Canada.

Yours sincerely

[Signature]

Hon Todd McClay
Minister of Trade
New Zealand