These provisions are in addition to the special dispute settlement mechanism established in Chapter Nineteen to deal with antidumping and countervailing duty issues.

The Commission is composed of equal representatives of both Parties. The principal representative of each Party is the ministerial rank official responsible for international trade matters, or his or her designee. Regular Commission meetings are held once a year, alternating between the two countries. As a practical matter, the day-to-day work of the Commission will be by officials of the two governments responsible for individual issues acting as working groups mandated by the Commission.

Arbitrators are selected by the Commission on such terms and in accordance with such procedures as it may adopt. Panels are composed of five members: two Canadians, two Americans, and a fifth member chosen jointly. Panelists are normally chosen from a roster developed by the Commission. Each Party chooses its national members, while the Commission chooses the fifth member. If the Commission is unable to agree on a choice, the other four members choose; should that fail, the fifth member is selected by lot.

Panels are allowed to establish their own rules of procedure, unless the Commission decides otherwise. There will be a right for at least one hearing before the panel, and the opportunity to provide written submissions and rebuttal arguments. Panel proceedings are confidential. All consultations and panel proceedings are subject to time limits, to ensure prompt resolution of disputes.

In the case of arbitral awards, the aggrieved Party has the right to suspend the application of equivalent benefits under the Agreement to the non-complying Party. In cases where the Commission does not reach agreement after receiving a Panel recommendation, and the dispute involves a measure that the aggrieved Party believes impairs its fundamental rights or anticipated benefits under the Agreement, it can suspend the application of equivalent benefits until the issue is resolved.

The combined effect of the institutional provisions and the three forms of dispute settlement (binding settlement of disputes over trade remedy actions, mutually agreed binding arbitration, and recommendatory panel procedures), will make Canada an equal partner in the resolution of disputes and provide for fair and effective solutions