

- 4) where the Canadian Wheat Board is actually responsible for paying the cost of shipping durum wheat to the designated point in the United States or to a transfer elevator on the St. Lawrence Seaway for export to the United States, such costs must be taken into account; and
- 5) administrative costs were not intended to be included in the expression "any other costs incurred by it."

The panel also recommended that a binational working group be established under Article 1802.4 of the FTA to oversee periodic audits of durum wheat sales to the United States by the Canadian Wheat Board. In this regard, the panel recommended that a major international accounting company with offices in Canada be appointed to conduct annual audits.

The panel has determined that this approach respects commercial confidentiality while providing the best evidence to assess whether Canada has met its obligations under Article 701.3. The initial audit would be retrospective and would cover the period from January 1, 1989, to July 31, 1992. In addition to the annual audit, Canada has offered to provide semi-annual pricing data on an aggregate basis to the United States.

Chapter 18 of the FTA provides for the settlement of disputes arising from the interpretation or application of any provision of the Agreement.

The Canada-U.S. Trade Commission has 30 days (or such other period of time as it may agree) to consider the report and its recommendations, with a view to reaching a resolution that is satisfactory to both countries.

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For further information, media representatives may contact:

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