

Chapter Eighteen: Institutional Provisions

This Chapter establishes the necessary institutional provisions to provide for the joint management of the Agreement and to avoid and settle any disputes between the Parties respecting the interpretation or application of any element of the Agreement. Its essential features are economy, joint decision-making and effective dispute resolution. Its basic objective is to promote fairness, predictability and security by giving each Partner an equal voice in resolving problems through ready access to objective panels to resolve disputes and authoritative interpretations of the Agreement.

To ensure that the Agreement is effectively implemented and enforced, Chapter Eighteen provides for:

- *mandatory notification of any measure (Article 1803);*
- *mandatory provision of information to the other Party on any measure, whether or not it has been notified (Article 1803);*
- *consultations at the request of either Party concerning any measure or any other matter which affects the operation of the Agreement, with a view to arriving at a mutually satisfactory resolution (Article 1804);*
- *referral to a Canada-United States Trade Commission, should resolution through consultations fail (Article 1805); and*
- *use of dispute settlement procedures should the Commission fail to arrive at a mutually satisfactory resolution. Procedures are:*
 - *compulsory arbitration, binding on both Parties, for disputes arising from the interpretation and application of the safeguards provision (Article 1103);*
 - *binding arbitration in all other disputes (Article 1806) where both Parties mutually agree; and*
 - *panel recommendations to the Commission, which, in turn, is mandated to agree on a resolution of the dispute (Article 1807).*