

HOW DOES DISPUTE SETTLEMENT WORK?

- A new binational panel will be the final "court of appeal" for bilateral trade disputes over dumping and countervail cases.
 - . The decision of the panel will be binding.
- A panel will also review changes in domestic laws. It will determine whether these changes are consistent with GATT obligations and the object and purpose of the Free Trade Agreement.
 - . If the offending country refuses to eliminate the problem, the other country is authorized to impose comparable measures or to terminate the Free Trade Agreement.
- Disputes in matters other than dumping and countervail will be resolved by a new Canada-United States Commission. If consultations fail to resolve a dispute, a panel will examine the problem and make recommendations. Disputes over emergency safeguard actions are subject to binding arbitration. Other disputes may be subject to binding arbitration, if mutually agreed.

HOW DOES DISPUTE SETTLEMENT BENEFIT CANADIAN EXPORTERS?

- For the first time in history, Canada will have an appeal recourse to an impartial, binding, binational body when its exporters are subjected to American trade remedy actions.
- The new dispute settlement process will restore the rule of law in commerce between the two countries and prevent the use of trade laws as instruments of unwarranted protection.