

brewed or bottled in Ontario (subject to monitoring as required under U.S. law); and

- (c) Canada will immediately reduce to "free" the FTA rate of duty on beer originating in the United States imported into Canada.

6. Consultations.

- (a) The United States and Canada will consult twice, no later than January and September 1994, respectively, unless the Parties otherwise agree to another timetable for the two consultations, regarding all aspects of the implementation and operation of this MOU.
- (b) In addition, the United States and Canada will consult upon written request of either Party with respect to any matter(s) concerning this MOU, including with respect to any matter(s) notified in paragraph 4(a). The other Party will respond to a request for consultations within 10 days of the request. Consultations will commence within 30 days of the request, and will be concluded within 30 days thereafter, unless the Parties agree to a longer period. The purpose of the consultations will be to clarify the facts and to arrive at a mutually acceptable solution in conformity with this MOU.

7. Termination.

- (a) If, following consultations under paragraph 6, the Parties fail to reach a mutually acceptable solution, and a Party considers that the other Party has failed to implement the MOU satisfactorily, including, notwithstanding paragraph 2, as a result of a province's introduction of a new measure or a province's modification of an existing measure that the United States considers materially impairs the United States' terms of access, either Party may terminate the MOU in whole or in part by giving written notice to the other Party at least 30 days in advance.
- (b) In any event, either party may terminate this MOU by giving written notice to the other Party at least 60 days in advance.