

to report to the Commission on their subsidy practices. The Commission is empowered to initiate legal action in the European Court of Justice to enforce decisions against member states.<sup>44</sup> (Comment: The EEC model seems too extreme for both Canada and the United States, as it would require both countries to yield substantial sovereignty over these issues.)

b. Nonbinding Dispute Settlement

An example of a nonbinding dispute settlement mechanism is contained in Article 19 of the U.S.-Israel FTA. Although Article 19 expressly does not apply to the imposition of antidumping or countervailing duties, it serves as a recent example of an international dispute resolution procedure that the U.S. Government considered reasonable. Under Article 19, disputes concerning the FTA are subject to several levels of conciliation:

- First, the parties are obliged to attempt to arrive at a mutually agreeable resolution through consultations.
- Second, if the consultations fail, a joint committee is to be formed, which has 60 days to resolve the dispute.

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<sup>44</sup> See Treaty Establishing the European Economic Community Art. 93 (1957); J. Cunnane & C. Stanbrook, Dumping and Subsidies 16 (1983).