



Canadian producers (three carbon steel flat products, cut to length steel plate case, and brass sheets). As well, a Canadian agency's decision on hot-rolled carbon steel plate from Mexico was appealed and a Mexican decision is being appealed by Canadian producers (rolled steel plate). One case, involving the review of a Canadian agency's decision in an anti-dumping case on concrete panels from the United States that was requested in 1997, was completed during 1998. There are also a number of cases involving trade remedy actions by Mexico and the United States, not involving Canadian firms.



Chapter Twenty

Canada regards Chapter Twenty as a central element of the North American Free Trade Agreement. It is invaluable in ensuring that our trade relations with the United States and Mexico are based on an established set of rules as opposed to economic or political power. As such, the objectives of the Chapter Twenty provisions are similar to those of the dispute settlement provisions of the WTO.

There have been relatively few applications of the NAFTA Chapter Twenty dispute settlement provisions compared with activity under Chapter Nineteen. Canada was a respondent in a case brought by the U.S. regarding tariffs on certain U.S.-origin agricultural products. The United States and Mexico have also used this procedure regarding a United States safeguard action on corn brooms. In 1998, Canada took action under Chapter Twenty procedures on meat labeling and on certain measures by U.S. states restraining Canadian exports of grain and livestock. As well, several consultations were held in 1998 under Chapter Twenty concerning Mexico-U.S. disputes on sugar, bus and trucking services, in which Canada participated as a third party. On bus and trucking services, following NAFTA Commission meetings in 1998 convened to address these disputes, Mexico requested arbitral panels under Chapter Twenty to have them resolved.



Chapter Eleven

For investment disputes relating to obligations of NAFTA parties under Chapter Eleven, the NAFTA sets out dispute resolution procedures to resolve complaints between the investor and the host state. Complaints that are subject to NAFTA Chapter Eleven are resolved by arbitration, based on the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) and the International Centre for the Settlement of Investment Disputes (ICSID). A roster of potential panelists is to be established for Chapter Eleven, whose members shall have expertise in investment law or practice. It is slated to be completed in the spring of 1999.

The first investor-state complaint to be submitted to arbitration pursuant to NAFTA Chapter Eleven with the Government of Canada was launched by a U.S. company, Ethyl Corporation Inc., on April 14, 1998. Ethyl Corporation Inc. alleged that the federal Manganese-based Fuel Additives Act relating to the fuel additive methylcyclopentadienyl manganese tricarbonyl (MMT) breached Canada's obligations under NAFTA Chapter Eleven, and that these breaches harmed its investment in Canada. Following the Government's response to the