

Why We Were Right and They Were Wrong

The vast majority of commentators have concurred that Chapter 19 panels have issued well-reasoned, consistent, thorough decisions since 1989, thereby affirming the arguments of Chapter 19 supporters. The high quality of panel decisions has been facilitated by the degree to which panelists have scrutinized the relevant issues under review. Acting within the Canadian and American standards of review, panelists have applied their expertise to the issues before them. Counsel to involved parties in Chapter 19 cases have commented that panels ask more challenging, probing questions, demand more precise answers, and inquire into controversies more than domestic review courts do. Experiences as economists, trade law professors, or trade lawyers have placed panelists in positions to ensure that American and Canadian trade laws were applied properly and fairly. Panelists have deeply probed into the methodology used by administrative agencies, and have demanded specific reasons for why the panel should show deference. In contrast, domestic review courts have tended to grant deference almost automatically when reviewing administrative agencies in Canada and the United States.⁸³

For example, the CIT cited "agency discretion" to uphold a final determination even though the agency had departed from previous practices, policies, and regulations in *Chevron USA Inc. v National Resource Defense Council* (1984). Moreover, in *A.G. der Dillinger Huttenwerke v Canada* (1995), the Federal Court of Appeals dismissed a foreign steel makers's appeal of the CITT's injury determination regarding certain hot-rolled carbon steel plate and high strength low-alloy plate. The producer felt that the CITT should have excluded it from the injury analysis because its goods were not "like" the domestic goods in the investigation. The Federal Court of Appeal upheld the CITT by referring to the "large measure of discretion" that Section 43 (1) of the SIMA gave to the agency. Even though detailed reasons were not given by the Tribunal, the Court affirmed the CITT in a 2 page decision because it "clearly understood the applicant's position, gave it careful consideration, and granted substantial relief."⁸⁴ Similarly, the Court released very brief, sketchy decisions in *Aciers Francosteel Canada Inc. v Dofasco Inc.* (1996) and *Siderurgica Nacional v Canada* (1995).⁸⁵ In both cases, the Court deferred to the CITT's expertise and ability to issue withhold complex, technical information. Therefore, neither the CIT nor the Federal Court of Appeal offered detailed reasoning or asked probing questions when

⁸³ United States General Accounting Office, *U.S.-Canada Free Trade Agreement - Factors Contributing in Appeals of Trade Remedy Cases to Binational Panels* (Washington: GAO, 1995), 54; Andreas Lowenfeld, "Reflections on Dispute Settlement Under the FTA: Where Do We Go From Here?" The Hyman Soloway Lecture, (Ottawa: Centre for Trade Policy and Law, May 18, 1993), 7-8; Telephone conversation with Ms. Michele C. Sherman, Cameron and Hornbostel, Washington D.C., July 19, 1996; William Ince, Michele Sherman, "Observations on the Binational Panel Process under Chapter 19 of the U.S.-Canada Free Trade Agreement," Presentation to the Administrative Conference of the United States' Forum (April 23, 1991), 3.

⁸⁴ *A.G. Der dillinger Huttenwerke v Canada* (1995), F.C.J., No. 833, Court File No. A-375-93.

⁸⁵ *Aciers Francosteel Canada Inc. v Dofasco Inc.* (1996), F.C.J. No. 52, Court File No. A-432-94; *Companhia Siderurgica Nacional v Canada* (1996), F.C.J. No. 54, Court File No. A-411-94.