

in a global action, its exports will be protected against reductions below the trend line of previous bilateral trade. Any emergency measures applied between the two countries will be subject to compensation.

For the transition period only, the two countries agreed that either may respond to serious injury resulting from the reduction of barriers under the Agreement with the temporary suspension of the duty reductions or a return to the MFN tariff level. Any such action will also be subject to compensation.

While the Agreement will not affect the current 35% tariff on shakes and shingles, it is understood that the action will lapse and the tariff bound at free for imports from Canada. Under the rules of the Agreement, similar punitive action would no longer be possible.

#### *Technical Standards*

The two governments have also agreed to build on the GATT Standards Code to avoid the abuse of technical regulations as a disguised barrier to trade. They will make further efforts to make federal standards more compatible and encourage making them more compatible at the state and provincial and private level. They have also agreed on a process to resolve a longstanding dispute governing Canadian plywood standards.

#### *Institutional Provisions and Dispute Settlement for Matters other than Trade Remedies*

To ensure that the Agreement is effectively implemented and enforced, the two governments have agreed to the establishment of a Bilateral Commission at the ministerial level as well as binational panel procedures at the instance of either Party to make recommendations for the settlement of disputes regarding the interpretation and application of the Agreement. By mutual agreement, they may also refer such disputes to binding arbitration. The Agreement provides for:

- mandatory notification of any measure;
- mandatory provision of information to the other Party on any measure, whether or not it has been notified;