

Panels are allowed to establish their own rules of procedure, unless the Commission decides otherwise. There must be a right for at least one hearing before the panel, and the opportunity to provide written submissions and rebuttal arguments. Panel proceedings are confidential. All consultations and panel proceedings are subject to time limits, in order to ensure prompt resolution of disputes.

In the case of arbitral awards, the aggrieved Party has the right to suspend the application of equivalent benefits under the Agreement to the non-complying Party. In cases where the Commission does not reach agreement after receiving a Panel recommendation, and the dispute involves a measure that the aggrieved Party believes impairs its fundamental rights under the Agreement, it can suspend the application of equivalent benefits until the issue is resolved.

The combined effect of the institutional provisions and the three forms of dispute settlement (binding settlement of disputes over trade remedies, mutually agreed binding arbitration, and recommendatory panel procedures), will reduce the disparities in power between the United States and Canada and provide for fair and effective solutions to difficult problems. Canadians will know what the rules are and can be confident that they will have a voice in how they will be applied.

### **Protection for Sensitive Sectors**

While the goal of any free trade agreement is to provide for the freest possible flow of trade in goods and services, both governments recognized that for some sensitive sectors, special rules were required to ensure a smooth transition to more open trading conditions, to take account of existing bilateral arrangements or to recognize other special circumstances.

#### *Trade in Agricultural Goods*

Canadian farmers exported almost \$4 billion in agricultural products to the United States and sought conditions which would make their access to the U.S. market both more open and more secure. At the same time, they did not want to impair either existing marketing systems for dairy and poultry products or the right to implement new supply management programs and import controls in accordance with our international obligations.