PART II

DISPUTE SETTLEMENT

CHAPTER 19 - PANELS

Pork Injury: On October 23rd, 1990, the U.S. International Trade Commission issued its remand determination, affirming its original threat of injury finding by a majority vote. On October 31, the Panel granted a motion for review of this determination. Briefs were filed by the Canadian parties, and by the U.S. International Trade Commission and the National Pork Producers Council. The Panel ruled on January 22nd, 1991, and ordered a second review, stating that the ITC's finding of threat of injury was not supported by substantial evidence. As a result of the USITC reversed its injury determination on February 12, 1991. the countervailing duty order has been revoked, the collection of further duties stopped, and Canadian exporters will be refunded about \$17 million in duty paid. The FTA dispute settling mechanism was praised by the government for its effectiveness in ensuring a fair, expeditious and binding review of countervailing duty determinations of the U.S.A. and Canada.

<u>Pork Subsidy</u>: On December 7th, 1990, the International Trade Administration of the U.S. Department of Commerce issued its remand determination, substantially upholding its countervailing duty determination against imports of fresh, chilled and frozen Canadian pork. If the determination were accepted the countervailing duty rate paid by Canadian exporters would fall slightly to 6.6 cents per kilogram from 8 cents on exports of pork to the United States.

On December 24th, the Government of Canada, on behalf of all Canadian participants, filed with the U.S. Secretary a joint request for panel review of the remand determination. The Panel ruled on January 3rd, 1991 and ordered a review. On March 8th, the binational dispute settlement Panel ruled that the U.S. Department of commerce (DOC) had not provided evidence that Quebec's Farm Income Stabilization Program was countervailable under U.S. law, and that the rate of subsidy the DOC calculated for Alberta's Crow Benefit Offset Program should be re-evaluated. The Panel referred the matter back to DOC for review; the response must be filed by March 28th. The Panel accepted the DOC ruling that the National Tripartite Stabilization Program was countervailable because it provided benefits to a specific group of industries.