



NAFTA Secretariat, Canadian Section

1997-98
Estimates

Partie III

Plan de dépenses

The Estimates Documents

The Estimates of the Government of Canada are structured in three Parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve. The Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

Instructions for obtaining each volume can be found on the order form enclosed with Part II.

©Minister of Supply and Services Canada 1997

Available in Canada through

Associated Bookstores and other booksellers

or by mail from

Canada Communication Group – Publishing
Ottawa, Canada K1A 0S9

Catalogue No. BT31-2/1998-III-94
ISBN 0-660-60130-3



NAFTA Secretariat, Canadian Section

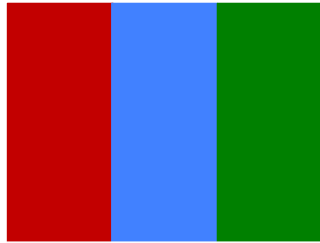
1997-98
Estimates

Part III

Expenditure Plan

Approved

Minister of NAFTA Secretariat

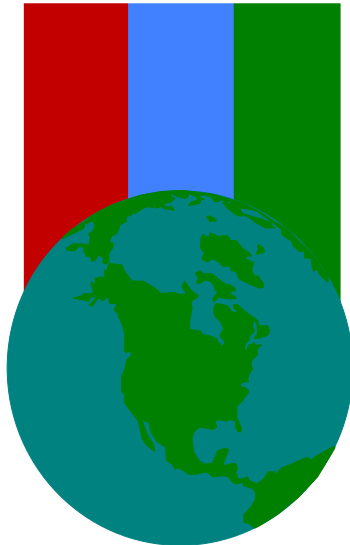


NAFTA Secretariat,
Canadian Section



1997-98

Estimates Part III



Preface

This document is a report to Parliament to indicate how the resources voted by Parliament have or will be spent. As such, it is an accountability document that contains several levels of details to respond to the various needs of its audience.

The Part III for 1997-98 is based on a revised format intended to make a clear separation between planning and performance information, and to focus on the higher level, longer term plans and performance of departments.

The document is divided into four sections:

- The Minister's Executive Summary;
- Departmental Plans;
- Departmental Performance; and
- Supplementary Information

It should be noted that, in accordance with Operating Budget principles, human resource consumption reported in this document will be measured in terms of employee full-time equivalents (FTEs).

Section IV - Supplementary Information	26
A. Profile of Program Resources	26
1. Summary of Financial Results for 1995-96	26
Figure 5. Financial Results for 1995-96	26
2. Summary of Financial Requirements for 1997-98	27
Figure 6. Financial Requirements for 1997-98	27
3. Financial Requirements by Object for 1997-98	28
Figure 7. Details of Financial Requirements by Object	28
4. Personnel Requirements for 1997-98	29
Figure 8. Details of Personnel Requirements	29
B. Other Information	30
1. Dispute Settlement - NAFTA	30
a. Chapter 11 Summary	30
b. Chapter 14 Summary	31
c. Chapter 19 Summary	31
Figure 9. Minimum Timeline for Chapter 19 NAFTA Panel Review	33
d. Chapter 20 Summary	34
Figure 10. Minimum Timeline for Chapter 20 NAFTA Arbitral Panel	35
C. Summary of Panel Reviews and Arbitral Panels under the FTA and the NAFTA	36
1. Summary of FTA Chapter 18 Arbitral Panel Proceedings	36
2. Summary of FTA Chapter 19 Panel Reviews	37
3. Summary of FTA, Extraordinary Challenge Committee (ECC) Reviews	42
4. Summary of NAFTA Panel Reviews	43
5. Summary of NAFTA Chapter 20 Arbitral Panel Proceedings	46
D. Index	47

Section I - The Minister's Executive Summary

The NAFTA Secretariat, comprised of the Canadian, American and Mexican Sections, is a unique organization created by the North American Free Trade Agreement (NAFTA). It is responsible for the administration of the dispute settlement provisions of the Agreement. The mandate of the NAFTA Secretariat also includes the provision of assistance to the Commission and support for various non-dispute related committees and working groups.

In the first nine months of the 1996-97 fiscal year the NAFTA Secretariat administered 14 panel reviews under Chapter 19 and one arbitral panel proceeding under Chapter 20 of the NAFTA. Eight Chapter 19 panel decisions and one Chapter 20 panel report were issued by the NAFTA Secretariat in 1996.

The major challenge faced by the Canadian Section over the last year, was the administration of the first proceeding under the Chapter 20, government-to-government, dispute settlement process. This proceeding was filed by the United States against Canada, in the matter of *Tariffs Applied by Canada to Certain U.S. - Origin Agricultural Products*.

The United States challenged Canada's right under the NAFTA to apply tariffs that were agreed to in the WTO Agreements on imports of U.S. dairy, poultry, egg, margarine and barley products. In an unanimous report, the Chapter 20 panel agreed that provisions in the Canada-U.S. Free Trade Agreement allowed Canada to maintain quantitative import restrictions against certain U.S. imports. It also concluded that Canada was obliged to end its quantitative import restrictions under the WTO Agreement and that Canada had the right to convert them into tariff equivalents under the WTO and the NAFTA. This case underlines the value of the NAFTA panel process where disputes can be settled on their merits.

Regarding the quality of service provided by the Canadian Section, its latest monitoring report, March 1996, prepared by an independent consulting firm, indicates that client satisfaction with the services provided by the Canadian Section continues to be outstanding. The overall result of the monitoring report was that 97% of all clients are **very satisfied** (the highest possible rating), overall, with the Canadian Section.

As of January 1, 1997 the NAFTA Secretariat, Canadian Section, is responsible for the administration of the dispute resolution process under Chapter 8 of the Canada - Israel Free Trade Agreement.

Effective June 2, 1997 it is planned that the NAFTA Secretariat, Canadian Section's mandate will be further enhanced with the addition of responsibility for the administration of the dispute resolution process under Chapter N of the Canada - Chile Free Trade Agreement.

Hon. Arthur C. Eggleton

Section II - Departmental Plan

A. Departmental Overview

1. Roles, Responsibilities and Mandate

a. Introduction

The NAFTA Secretariat, comprised of the Canadian, American and Mexican Sections, is a unique organization, established by the Free Trade Commission, pursuant to Article 2002, Chapter 20 of the North American Free Trade Agreement (NAFTA). It is responsible for the administration of the dispute settlement provisions of the Agreement. The mandate of the NAFTA Secretariat also includes the provision of assistance to the Commission and support for various non-dispute related committees and working groups.

More specifically, the NAFTA Secretariat administers the NAFTA dispute resolution processes under Chapters 14, 19 and 20 of the NAFTA and has certain responsibilities related to Chapter 11 dispute settlement provisions. Each national Section maintains a court-like registry relating to panel, committee and tribunal proceedings.

As of January 1, 1997 the NAFTA Secretariat, Canadian Section, is responsible for the administration of the dispute resolution process under Chapter 8 of the Canada - Israel Free Trade Agreement.

Effective June 2, 1997 it is planned that the NAFTA Secretariat, Canadian Section, will have the responsibility for the administration of the dispute resolution process under Chapter N of the Canada - Chile Free Trade Agreement.

b. Background

In 1995, trilateral trade among the NAFTA partners, Canada, United States and Mexico was \$516 billion. While Canada's trading relationship with Mexico is relatively small, \$6.5 billion in 1995, our trade relationship with the United States is the largest between any two countries in the world. In fact, in 1995, the United States exported more to the province of Ontario, \$108 billion, than to Japan, \$78 billion.

With upon this volume of trade, disputes are inevitable. It is estimated that about 5% of the \$360.4 billion in Canada's bilateral trade with the United States is currently under dispute.

A similar administrative body, the Binational Secretariat, existed under the Canada - United States Free Trade Agreement (FTA). In 1994, pursuant to the Parties' obligation under the NAFTA to establish, permanent, national Section offices in each country, the Binational Secretariat, Canadian and United States national Sections became the NAFTA Canadian and United States national Sections, and with the addition of the Mexican Section, make up the NAFTA Secretariat. The national Sections, which are "mirror-images" of each other, are located in Ottawa, Washington and Mexico City and are headed by the Canadian, United States and Mexican Secretaries.



c. Mandate

The mandate of the Secretariat is set out in paragraph 3 of Article 2002 of the NAFTA and reads:

The Secretariat shall:

- (a) *provide assistance to the Commission;*
- (b) *provide administrative assistance to:*
 - (i) *panels and committees established under Chapter Nineteen (Review and Dispute Settlement in Antidumping and Countervailing Duty Matters), in accordance with the procedures established pursuant to Article 1908, and*
 - (ii) *panels established under this Chapter, in accordance with procedures established pursuant to Article 2012; and*
- (c) *as the Commission may direct:*
 - (i) *support the work of other committees and groups established under this Agreement, and*
 - (ii) *otherwise facilitate the operation of this Agreement.*

d. Program Objective

To implement the dispute settlement provisions of the North American Free Trade Agreement (NAFTA) by providing support to panels established under the NAFTA and by maintaining a court-like registry system relating to Chapters 11, 14, 19 and 20 panel, committee and tribunal proceedings.

Chapter 19	disputes relating to anti-dumping, countervailing duty, injury final determinations	can be referred to a binding review process as an alternative to judicial review
Chapter 20	disputes concerning the interpretation or application of the Agreement	can be referred to arbitral panels
Chapter 14	disputes relating to financial services provisions	can be referred to Chapter 20 dispute settlement procedures
Chapter 11	disputes regarding investment matters	can be referred to certain international arbitral mechanisms

e. Program Description

Disputes relating to anti-dumping, countervailing duty and injury final determinations may be resolved under the NAFTA through the panel review process (Chapter 19) as an alternative to judicial review. Disputes concerning the interpretation or application of the NAFTA (Chapter 20) may be referred to a five-member panel. Disputes relating to the investment provisions of Chapter 11 and the financial services provisions of Chapter 14 of the NAFTA may be referred to dispute settlement under the Agreement. In the administration of the dispute settlement provisions, the NAFTA Secretariat provides legal, professional and advisory support to panels and committees, operates a court-like registry and coordinates all panel and financial aspects of the process.

Non-dispute related responsibilities include providing assistance to the Commission, as directed, and support for various non-dispute related committees and working groups.

f. Stakeholders

In general terms, the stakeholders are exporters and importers involved in trade related matters within the NAFTA countries, who wish to take advantage of and utilize the NAFTA dispute-settlement processes. More specifically, the NAFTA Secretariat's:

primary stakeholders include:

- panelists and their assistants;
- Chapter 19 roster members;
- Extraordinary Challenge Committee roster members;
- Chapter 14 roster members;
- Chapter 20 roster members;
- The Free Trade Commission; and
- representatives of the Parties (the Governments of Canada, Mexico and the United States of America).

other stakeholders include:

- all legal counsel who represent exporters and importers in the dispute settlement processes, particularly panel and committee reviews;
- government agencies (for example, in Canada, Revenue Canada, the CITT, DFAIT);
- university academics;
- the media; and
- the general public.

2. Organization and Program Composition

a. Program Organization for Delivery

The NAFTA Secretariat, Canadian Section has the following business lines related to the performance of its mandate.

Business lines: The NAFTA Secretariat's business lines are as follows:

- Professional Support to Panels;
(legal advisory and administrative role of the Secretaries)
- Registry Operations and Document Control;
(administer and operate a court-like registry for the filing and processing of legal pleadings in the panel reviews)
- Panel Planning and Co-ordination of Panel Reviews;
(coordinate and provide administrative support to all dispute panels established under the NAFTA)
- Panel Financial Administration; and
(provide financial administration support for all panelists and their assistants and coordinate payment and reimbursements of panel review expenditures to and from other national Sections)
- Liaison and Coordination with NAFTA-related Organizations.
(the NAFTA Secretariat, Canadian Section is part of the international Secretariat created by the NAFTA and therefore must liaise and coordinate with other national sections offices and the North American Free Trade Agreement Coordinating Secretariat in fulfilling the mandate of the Secretariat, including the preparation of status and annual reports and the administration of other inter-related activities)

b. Functional Organization Structure:

The NAFTA Secretariat, Canadian Section is headed by the Canadian Secretary who reports to the Minister for International Trade for Parliamentary accountability and to the appropriate Trade Commission for the administration of the dispute settlement processes under the NAFTA, the Canada - Israel Free Trade Agreement and the Canada - Chile Free Trade Agreement. An organizational chart depicting the primary functions of the NAFTA Secretariat appears below.

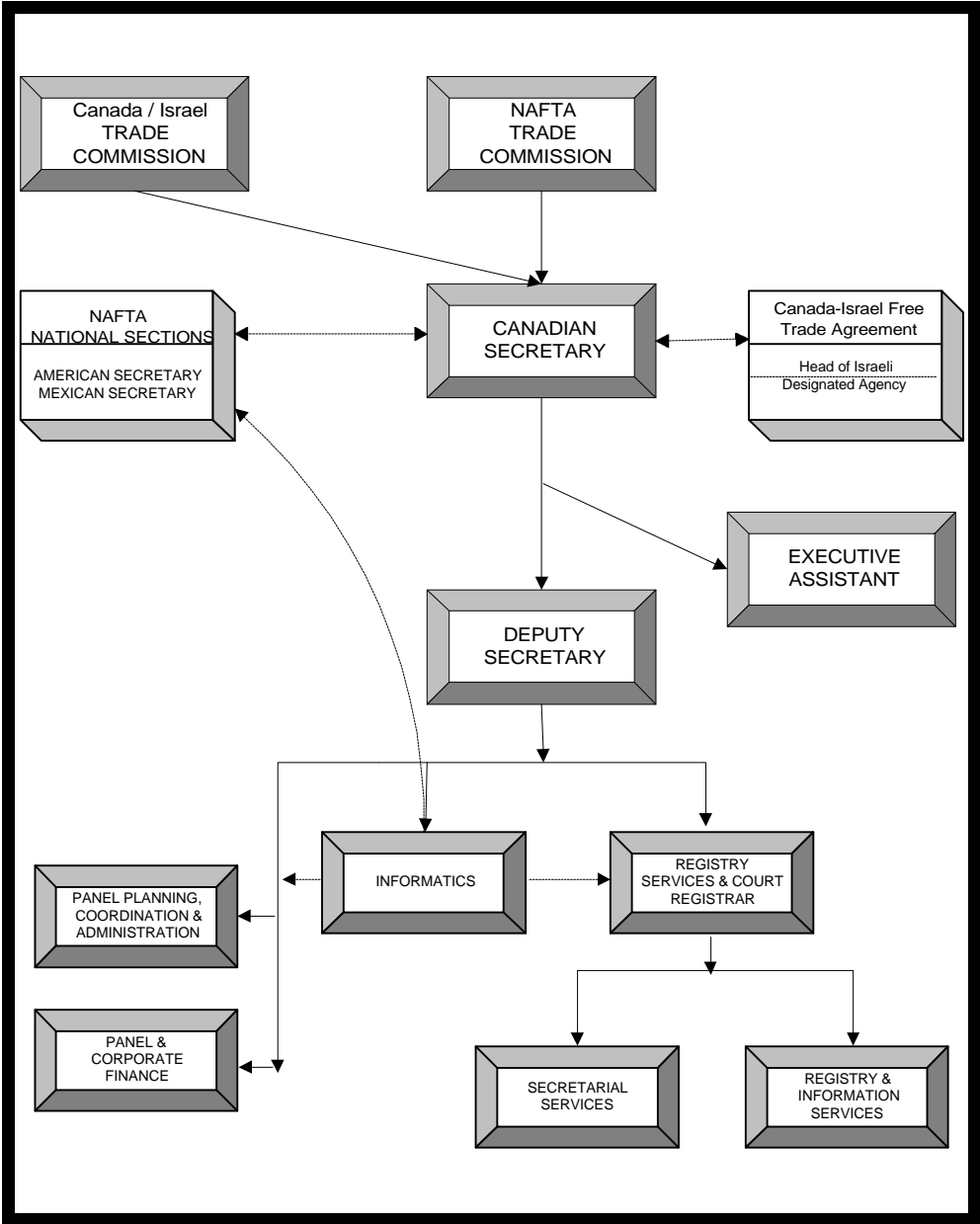


Figure 1. Functional Organizational Chart

c. External Factors Influencing the Program

The NAFTA Secretariat's workload is directly influenced by the number of requests for panel and committee reviews, arbitral panel and tribunal proceedings and the assistance requested by the Commission. The NAFTA Secretariat has no control over these workload factors.

3. Corporate Objectives

In accordance with the business lines (see details supra business lines Section II. 2. a., at page 11) established by the NAFTA Secretariat, Canadian Section the following five corporate objectives have been developed.

Commitment to an Unbiased and Equitable Administrative Process - the NAFTA Secretariat, Canadian Section, is committed to administering the dispute settlement provisions of the Agreement in a manner which ensures unbiased administrative processes, equity, security and fairness.

Commitment to Quality - the NAFTA Secretariat, Canadian Section, is committed to maintaining the highest quality of administration of all dispute settlement proceedings.

Support to Stakeholders - the NAFTA Secretariat, Canadian Section, is committed to supporting and providing services to its stakeholders in a manner that is impartial, responsive, accessible and timely.

Openness and Accountability - the NAFTA Secretariat, Canadian Section, is committed to ensuring openness and accountability to the Government, the NAFTA Trade Commission and to the public.

Innovative Uses of Information Technologies - in keeping with the *Blueprint for Renewing Government Services Using Information Technology*, the NAFTA Secretariat, Canadian Section, will continue to use new information technologies to develop and enhance systems and processes to improve overall effectiveness and efficiency.

4. Resource Plans and Financial Tables

a. Spending Authorities

Figure 2. Authorities for 1997-98 - Part II of the Estimates

Financial Requirements by Authority

Vote	(thousands of dollars)	1997-98 Main Estimates	1996-97 Main Estimates
NAFTA Secretariat			
50	Program Expenditures	2,063	2085
(S)	Contributions to employee benefit plans	117	99
Total Department		2,180	2,184

VOTE - Wording and Amounts

Vote	(dollars)	1997-98 Main Estimates
NAFTA Secretariat		
50	NAFTA Secretariat - Program Expenditures	2,063,000

Figure 3. Use of 1995-96 Authorities - Volume II of the Public Accounts

Vote (dollars)		Main Estimates for Use	Total Available	Actual Use
Canadian Secretariat				
45	Program expenditures	2,105,000	2,105,000	1,624,635
(S)	Contributions to employee benefit plans	89,000	89,000	89,000
Total Program - Budgetary		2,194,000	2,194,000	1,713,635

B. Details by Business Line

1. Business Line Objectives

In line with the NAFTA Secretariat, Canadian Section business lines, (see details supra business lines Section II. 2. a., at page 11) an overall performance objective for the NAFTA Secretariat, Canadian Section, is that at least 75% of panelists and their assistants will be very satisfied (the highest possible rating) with the services provided.

In delivering its services, the NAFTA Secretariat, Canadian Section holds the following principles:

- a. The NAFTA Secretariat, Canadian Section, will administer the FTA and the NAFTA dispute settlement mechanisms, and adhere to the related legislation, the rules of procedure and the Code of Conduct in a manner which ensures unbiased administrative processes, security, fairness and equity.
- b. The NAFTA Secretariat, Canadian Section, will administer a court-like registry for the panel review process at a level comparable to other registries of superior courts of record in Canada.
- c. The NAFTA Secretariat, Canadian Section, will develop and implement programs, systems and procedures which are accurate, important and relevant to clients, impartial, responsive, accessible, timely and independent.
- d. The NAFTA Secretariat, Canadian Section, will offer services which provide panels with the required information and support to ensure their work is accurate, impartial, responsive, accessible, timely and independent.
- e. The NAFTA Secretariat, Canadian Section, will liaise and coordinate with other national Section offices, the NAFTA Coordinating Secretariat and relevant government departments of the NAFTA Parties to ensure the successful implementation of the dispute settlement provisions of the Agreement.

2. Operating Context and Key Initiatives:

During the next year, it is expected that the Canadian Section will be assisting the new Israeli designated Agency for administration of the dispute settlement provisions of the Canada - Israel Agreement and the new national section in Chile. Therefore, increased responsibilities and demands on services will require a continued focus on the efficient delivery of high quality services.

The challenge facing the Canadian Section is to continue to manage its current and increased responsibilities with a decreasing resource level. Through innovative management initiatives, the Canadian Section has positioned itself well to meet the challenge. Having already taken a number of steps to save financial resources and reallocate human resources, the Canadian Section is now identifying new ways to manage its massive information and documentation requirements, within its future reference levels.

In keeping with the *Blueprint for Renewing Government Services Using Information Technology*, the Canadian Section is in the process of implementing a number of innovative ways to use information technologies. Our action plan calls for:

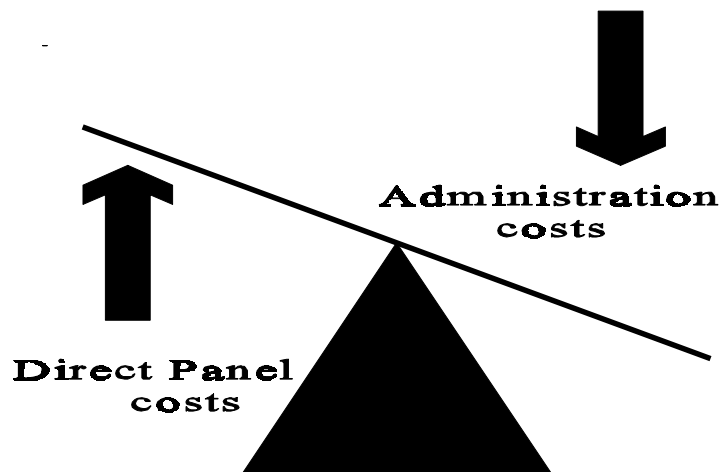
- utilizing a new computing infrastructure that will enable the Section to establish and share appropriate information databases with the other Sections. This infrastructure will support the legal research function, the operations of the registry and the accounting functions of the Secretariat. Compatibility with information systems between national Sections will promote information sharing and result in improved productivity gains.
- developing enhancements and implementing, within this infrastructure, and on an equal cost-sharing basis with the other national Sections, compatible and improved management information systems in all national Sections.
- training on a cost-sharing basis, all NAFTA Secretariat employees on the use of these systems to fully utilize the technological capabilities.
- converting public court documents, via scanning and optical character reading (OCR), into an electronic format. The use of image documentation and retrieval technology has the potential to improve the efficiency of research and retrieval.
- developing and implementing CD-ROM technology capabilities that will improve file storage and maintenance of the NAFTA Secretariat's massive volume of court files.

- implementing an Intranet to facilitate communication of unclassified material to clients and to improve research capabilities. This will include the establishment of a World Wide Web site as a tool to facilitate greater access to its primary stakeholders.

3. Change Management Initiatives:

Over the last few years, the Canadian Section has instituted alternative service delivery mechanisms, as outlined on page 18, that have contributed to annually recurring cost savings in excess of 8% of this Agency's total budget. While the reduction is 8% of the overall budget, as approximately 63% of that budget is non-discretionary, it represents a far deeper cut in that part of the budget over which the Canadian Section has some control. Essentially, the overhead costs of operating the Canadian Section have been reduced by almost 20%, without any reduction in service. This is being done in spite of increased service demands and considerable upward cost pressures on overhead.

These upward cost pressures relate to the operation of the Canadian Section in a trilingual environment, with a burgeoning body of case law, rapidly increasing volume of documents, more complex procedural issues upon which to provide advice, and the necessity to provide electronic access to materials in all three national Sections of the NAFTA Secretariat in a convenient and timely way.



The Canadian Section has been able to achieve cost savings through a combination of initiatives including, co-location, contracting-out, shared services, cost recovery and improved information technologies. Our successful cost-saving strategies include:

<p><i>Shared Services</i></p>	<p>Personnel services 5 administered by another Department.</p> <p>The Canadian Section negotiated a Memorandum of Understanding with the Department of Western Economic Diversification for the provision of personnel services, including the processing of the pay and benefits for this Agency.</p>
<p><i>Contracting-Out</i></p>	<p>Accounts payable services 5 contracted-out.</p> <p>The processing of the accounts payable was contracted out, resulting in the reassignment of one FTE to the registry unit, which is facing increasing service demands.</p>
<p><i>Co-Location</i></p>	<p>Hearing rooms 5 borrowed facilities.</p> <p>The Canadian Section negotiated a co-location agreement with the Competition Tribunal, which has excellent court room facilities located one floor below the Canadian Section's offices. With the increasing number of panel reviews, this represents substantial ongoing savings.</p>
<p><i>Cost-Recovery</i></p>	<p>Panel decision publications 5 cost recovery through Canada Communications Group.</p> <p>The Canada Communications Group of Public Works and Government Services Canada has been authorized to publish and distribute FTA and NAFTA panel decisions. This has enabled the government to recover the costs of printing and distributing these decisions and has enabled the Canadian Section to reassign personnel within the agency.</p>
<p><i>Improved and Shared Information Technology</i></p> <p><i>I have no doubt that Departments cannot deliver on their business plans without a major investment in information technology and by innovative use of information systems .</i></p> <p><i>Peter Harder, Secretary, Treasury Board APEX Lunch, March 7, 1996</i></p>	<p>Information systems development 5 equal cost-sharing.</p> <p>The Canadian Section has taken the lead among the three national Sections in developing and programming NAFTA Secretariat information systems. For example, the NAFTA Secretariat Registry Information System, the Motion and Orders Research Database and the NAFTA Secretariat Financial Information System. These systems are essential to the efficient performance of our NAFTA - mandated functions. The Canadian Section has negotiated an agreement with the other national Sections to share equally the costs of developing and implementing these information systems.</p> <p>After consultation with the Treasury Board Secretariat and Receiver General, the Canadian Section has been granted the authority to operate a "Specified Purpose Account" to provide the Canadian Section with the mechanism to utilize the funds received from other national Sections pursuant to the cost-sharing arrangements to further enhance and implement joint information systems.</p>

4. Business Line Expectations

The major tasks established for the NAFTA Secretariat, in the 1997-98 fiscal year are:

- the administration of Chapter 19 panel review proceedings, including the administration of remanded panel reviews and Extraordinary Challenge Committee (ECC) reviews, if any;
- the administration of Chapter 20 arbitral panel proceedings, if any, pursuant to the relevant NAFTA provisions;
- the administration of the following dispute settlement related bodies, if formed pursuant to the relevant NAFTA provisions:
 - special committees, under Article 1905, relating to procedures for "safeguarding the Panel Review System",
 - panels, under Article 2019, to make determinations relating to the excessiveness of retaliatory measures,
 - Scientific Review Boards, under Article 2015, to provide dispute settlement panels with reports on environmental, health, safety or other scientific matters raised by a disputing Party in a proceeding, and
 - panels, under Ch.14, relating to disputes on financial services (Article 1415);
- the implementation of the NAFTA Secretariat's World Wide Web Intranet site;
- the updating of the automated Motions and Orders Research Database;
- the revision of the English, French and Spanish versions of the NAFTA Article 1904 Panel Rules;
- the ongoing monitoring of service standards pursuant to Treasury Board Secretariat's requirement;

- the provision of professional support by the NAFTA Secretariat, Canadian Section to new free trade agreement partners through assistance to:
 - the new designated agency responsible for providing administrative assistance to panels in Israel, and
 - the new national Section in Chile.
- the Canadian Section will have to study and make changes to its administrative procedures to accommodate professionals from Israel and Chile, work in another language and use other foreign currencies.

5. Net Cost of the Program by Business Lines

The Estimates of the Program include only those expenditures to be charged to its voted and statutory authorities. Services and benefits received without charge and non-tax revenues of the program are also taken into account to arrive at an estimated net cost of the program. Details by business lines are outlined in Figure 4.

Figure 4. Estimated Net Cost of the Program by Business Lines

	Expenditures and FTEs (\$000)				
	1996 - 1997	1997 - 1998	1998 - 1999	1999 - 2000	FTEs (note 2)
Business Line Expenses (note 1):					
Professional support to panels	\$167	\$165	\$165	\$165	2.80
Registry operations	354	350	351	352	6.45
Panel planning & coordination	229	227	227	227	2.45
Panel financial administration	1,314	1,300	1,300	1,300	1.00
Liaison & coordination with NAFTA related organization	21	21	21	21	0.30
Sub-Total Business Line Expenses	\$2,085	\$2,063	\$2,064	\$2,065	13.00
Other Operating Expenses					
Accommodation (note 3)	131	131	131	131	
Employee Benefit Plans (note 4)	40	40	40	40	
Services received without charge (note 5)	1	1	1	1	
Sub-Total Expenses	\$2,257	\$2,235	\$2,236	\$2,237	13.00
Revenues:					
From other national Sections (note 6)	400	400	400	400	
Net Cost of Program	\$1,857	\$1,835	\$1,836	\$1,837	13.00
Notes:					
1. Excludes Employee Benefit Plan (EBP).					
2. Full-Time Equivalent (FTE) is a unit of measurement for personnel resources and refers to the employment of one person for one full year or the equivalent thereof.					
3. Accommodation received without charge from Public Works and Government Services Canada (PWGSC).					
4. Employee benefits covering the employer's share of insurance premiums and cost paid by T. B.					
5. Services received without charge from PWGSC for the cost of compensation administration of the pay processing function.					
6. Revenues are credited directly to the Consolidated Revenue Fund.					

Section III - Departmental Performance

A. Summary of Departmental Performance

Since January 1, 1989, five FTA Chapter 18 and one NAFTA Chapter 20 (formerly Chapter 18 under the FTA) arbitral panel have been filed with the Secretariat. There have been 73 FTA and NAFTA Chapter 19 panel reviews (49 panel reviews under the FTA and 24 under the NAFTA) filed with the Secretariat. Three Extraordinary Challenge Committee (ECC) requests have been filed (all under the FTA). (See Section IV, sub-section C for a detailed list of FTA and NAFTA panel reviews and arbitral panels.) Since the inception of the FTA, to December 31, 1996, 72 decisions and reports have been issued.

In the first nine months of the 1996-97 fiscal year the NAFTA Secretariat administered 14 panel reviews under Chapter 19 and one arbitral panel proceeding under Chapter 20 of the NAFTA. Eight Chapter 19 panel decisions and one Chapter 20 panel report were issued by the NAFTA Secretariat in 1996.

By way of explanation of the 1996-97 Appropriations (i.e. Main Estimates), 63% of the 1996-97 budget of \$2.184M relates to "Panel Financial Administration". This includes remuneration of panelists and their assistants plus direct out-of-pocket expenditures (such as travel, accommodation and meal allowances). In this regard, it is important to note the following external factors that influence these operational expenditures of the NAFTA Secretariat, Canadian Section:

- the Secretariat has no ability to control the number of panels to be formed in any given year;
- the Secretariat has no discretion to accept or refuse a request for panel review;
- the Secretariat has no ability to control the direct costs of panel reviews as they represent non-discretionary costs; and
- despite a substantial expansion of its mandate, the Secretariat has not received incremental resources for its NAFTA obligations.

Also, regarding the efficiency and affordability of the NAFTA Secretariat, Canadian Section operations, the \$1.8M per annum cost (i.e. the Canadian Section's 1995-96 net Program cost) to the Canadian government of administering the dispute settlement system may be compared to the \$18B of bilateral trade which is estimated to be in dispute (approximately 5% of \$360.4B total trade

by Canada with the United States of America and Mexico) and directly impacted by this unique process.

Canadian Section resource level 1995-96 = \$2,105,000

Estimated value of trade in dispute = \$18,020,000,000

Furthermore, exporters and importers, doing business within the NAFTA countries, have a recourse to a timely and efficient review mechanism of trade rulings made by the investigating authorities of a particular NAFTA country. Without this recourse, exporters and importers who have used the dispute-settlement mechanism, and therefore exporters and importers in related industries, might have been discouraged from entry into and/or expansion in the NAFTA markets.

B. Details by Business Lines

The main achievements of the NAFTA Secretariat in 1996-97 included:

- the administration of 14 Chapter 19 panel reviews in the first nine months of the fiscal year involving over 120 panelists and panel assistants and approximately 14,000 documents;
- the administration of the first proceeding under Chapter 20, government-to-government, dispute settlement process. This proceeding was filed by the United States against Canada, in the matter of *Tariffs Applied by Canada to Certain U.S. - Origin Agricultural Products*. Mexico chose to participate in the proceeding as a non-disputing third Party. To ensure transparency, fairness, equity and security of the process, the Canadian Secretariat developed and submitted to the three Parties for approval a Chapter 20 Procedural Manual to administer this and future proceedings.
- the implementation of the new Model Rules of Procedures for Chapter Twenty of the NAFTA and Supplementary Procedures Pursuant to Rule 35 on the Availability of Information;
- the provision of professional support by the NAFTA Secretariat, Canadian Section to:
 - new roster members in Canada and other NAFTA countries, and

- the Mexican Section of the NAFTA Secretariat;
 - the assistance in the implementation of a third registry (in Mexico) which is required to be technically integrated with the other two national Sections.
- NB It is essential for the NAFTA Secretariat to adhere to identical document control standards. Therefore, the automated Registry Information System was modified by the Canadian Section to accommodate a third national Section. This modified system has now been implemented in all three national Sections. Additionally, the automated Motions and Orders Research Database was modified and is being implemented in Mexico. The Canadian Section is actioning a training program to train staff of the three national Sections on all aspects of these two systems;
- the maintenance and updating of the computerized Motions and Orders Database Research System. This system now contains summaries of over 1,200 motions, responses and orders;
 - the ongoing development of procedures for the administration of panel reviews in cooperation with the United States and Mexican Sections to ensure that the system functions at a high level of efficiency and provides all necessary support to panels;
 - the preparation of the Departmental Outlook Document for review by the Standing Committee on Foreign Affairs and International Trade;
 - the representation of the NAFTA Secretariat on Working Groups relating to the rules of procedures for the various dispute settlement mechanisms and the Code of Conduct under the NAFTA;

C. Actual Performance

The latest monitoring report (March 1996) of achievements against published service standards indicated that:

- **97%** of all clients are **very satisfied**, overall, with the Canadian Section,
- between 85% and 94% fully believe that the Canadian Section has the appropriate support services in place to ensure that programs, systems and procedures developed for administering the dispute settlement process are accurate (85%), impartial (91%), responsive (88%), accessible (88%), timely (85%), and independent (94%),
- 97% of clients believe that the Canadian Section is **very important** to the dispute settlement processes of the NAFTA, and
- 100% of panelists and assistants to panelists would want to serve again in that role. 94% would serve again because of their positive experience working with the Canadian Section;

The above results compare very favourably to the results of our initial survey and continue to indicate that the Canadian Section is providing an outstanding high level of service.

Section IV - Supplementary Information

A. Profile of Program Resources

1. Summary of Financial Results for 1995-96

Figure 5. Financial Results for 1995-96

(thousands of dollars)	1995-96		
	Actual	Main Estimates	Change
NAFTA Secretariat*	1,714	2,194	(480)
Human resources**	13	13	-

*Includes Employee Benefit Plans.

**See figure 8, page 29, for additional information on human resources.

2. Summary of Financial Requirements for 1997-98

Figure 6. Financial Requirements for 1997-98

(thousands of dollars)	Estimates 1997-98	Forecast 1996-97	Change
NAFTA Secretariat	2,180	2,184	(4)
Human resources*(FTE)	13	13	0

* See figure 8, page 29, for additional information on human resources.

Explanation of Change: The decrease of \$4,000 in the 1997-98 financial requirements over the 1996-97 forecast is due to:

- (a) a \$21,000 reduction in the Operating Budget as announced in the 1992 budget;
- (b) a \$17,000 increase in the Employee Benefit Plan during the 1997-98 Annual Reference Level Update.

3. Financial Requirements by Object for 1997-98

Figure 7. Details of Financial Requirements by Object

(thousands of dollars)	Estimates 1997-98	Forecast 1996-97	Actual 1995-96
Personnel			
Salaries & Wages	690	685	518
Contribution to employee benefit plan	117	99	89
Sub-total	807	784	607
Goods and Services			
Transportation and communications	290	300	239
Information	50	50	22
Professional and special services	940	947	737
Rentals	3	3	5
Purchased repair and upkeep	3	3	4
Utilities, materials and supplies	58	70	69
Construction/acquisition machinery & equipment	27	27	29
Other subsidies and payments	2	0	2
Sub-total	1,373	1,400	1,107
Total Operating	2,180	2,184	1,714

4. Personnel Requirements for 1997-98

Personnel expenditures account for 33% of the Program's total expenditures. A profile of the Program's personnel requirements is provided below.

Figure 8. Details of Personnel Requirements

	FTE* Estimates 1997-98	FTE Forecast 1996-97	FTE Actual 1995-96
OIC Appointments ¹	1	1	1
Executive ²	1	1	1
Administrative and Foreign Service	5	5	5
Technical	3	3	3
Administrative Support	3	3	3

* A Full-time equivalents (FTE) is the unit of measurement for personnel resources and refers to the employment of one person for one full year or the equivalent thereof. FTEs are not subject to Treasury Board control but are disclosed in Part III of the Estimates in support of personnel expenditure requirements specified in the Estimates.

¹ This includes all those at the DM level and all GICs.

² This includes all those in the EX-1 to EX-5 range inclusive and their equivalents.

B. Other Information

1. Dispute Settlement - NAFTA

The principle dispute settlement mechanisms of the NAFTA are found in Chapters 11, 14, 19 and 20 of the Agreement. Disputes relating to the investment provisions of Chapter 11 may be referred to dispute settlement under the Agreement. Chapter 19 provides for binational panel review of anti-dumping (AD), countervailing duty (CVD) and injury final determinations. As well, under Chapter 19, panels may review amendments made by either Canada, the United States or Mexico to their anti-dumping or countervailing duty law. The dispute settlement provisions of Chapter 20 are applicable to disputes which arise concerning the interpretation or application of the NAFTA, including disputes relating to the financial services provisions of Chapter 14.

a. Chapter 11 Summary

This Chapter establishes a mechanism for the settlement of investment disputes that assures both equal treatment among investors of the Parties in accordance with the principle of international reciprocity and due process before an impartial tribunal.

A NAFTA investor who alleges that a host government has breached its investment obligations under Chapter 11 may, at its option, have recourse to one of the following arbitral mechanisms:

- the World Bank's International Center for the Settlement of Investment Disputes (ICSID);
- ICSID's Additional Facility Rules;
- the rules of the United Nations Commission for International Trade Law (UNCITRAL rules).

Alternatively, the investor may choose the remedies available in the host country's domestic courts.

An important feature of the Chapter 11 arbitral provisions is the enforceability in domestic courts of final awards by arbitration tribunals.

b. Chapter 14 Summary

Chapter 14 establishes a mechanism for the settlement of financial services disputes by providing that Section B of Chapter 20 shall apply, with modification, to the settlement of disputes arising under this chapter. A financial services roster is to be established whose members shall have expertise or experience in financial services law or practice.

c. Chapter 19 Summary

Article 1903, provides that a Party may request that an amendment to the other Party's AD or CVD statute be referred to a panel for a declaratory opinion on whether the amendment is consistent with the GATT and the NAFTA.

Article 1904, provides for the establishment of panels relating to the review of AD, CVD and injury final determinations.

Prior to the entry into force of the FTA and then the NAFTA, AD, CVD and injury final determinations of either Government could be appealed, in the case of a U.S. final determination, to the Court of International Trade, in the case of a Mexican final determination, to the Tribunal Fiscal de la Federación, or, in the case of certain Canadian final determinations, to the Federal Court of Appeal or, for some Revenue Canada decisions, to the Canadian International Trade Tribunal (CITT)³. Under the NAFTA, however, Article 1904 offers binational panel review as an alternative to judicial review or appeal to these bodies.

To implement the provisions of this Article, the Parties have adopted common Rules of Procedures. The NAFTA Article 1904 Panel Rules are designed to result in final panel decisions within 315 days of the date on which a request for a panel is made. Within the 315 day period, strict deadlines have been established relating to the selection of panel members, the filing of briefs and reply briefs and the setting of the date for Oral Argument. Based on these Rules, a detailed timeline is established for each Chapter 19 panel review (see Figure 9).

³ In Canada, final AD and CVD determinations are made by Revenue Canada, Customs and Excise and final Injury determinations are made by the C.I.T.T. In the U.S., final AD and CVD determinations are made by the Department of Commerce and final Injury determinations are made by the U.S. International Trade Commission. In Mexico final AD, CVD and Injury decisions are made by the Secretaría de Comercio y Fomento Industrial (SECOFI). These bodies are often referred to as the investigating authorities.

As a safeguard against impropriety or gross-panel error that could threaten the integrity of the process, Article 1904 also provides for an "extraordinary challenge procedure". In defined circumstances, a participating Party can appeal a panel's decision to a three-member committee of judges or former judges. The committee would make a prompt decision to affirm, vacate, or remand the panel's decision.

Article 1905, provides a mechanism for safeguarding the panel review system. Under this article, a three-member special committee may be established to review allegations of one Party that the application of another Party's domestic law has interfered with the proper functioning of the panel system.

Figure 9. Minimum Timeline for Chapter 19 NAFTA Panel Review

R. 34	Request for Panel Review filed in CDA -	Day 0.
R. 39	Complaint to be filed by -	30 days after Request for Panel Review.
R. 40	Notice of Appearance to be filed by -	45 days after Request for Panel Review.
Annex 1901.2(3)	Panel Selection to be completed by Parties by -	Day 55.
R. 41	Final Determination and reasons, Index, Administrative Record to be filed by -	15 days after filing of Notice of Appearance.
Annex 1901.2(3)	Panelists to select 5th Panelist by - (if Parties unable to agree).	Day 61.
R. 57(1)	Briefs by complainants to be filed by -	60 days after filing of Administrative Record.
R. 57(2)	Briefs by investigating authority or participant in support filed by -	60 days after Complainants' Briefs.
R. 57(3)	Reply Briefs to be filed by -	15 days after Authority's Briefs.
R. 57(4)	Appendix to the briefs to be filed by -	10 days after Reply Briefs.
R. 67(1)	Oral Argument to begin by -	30 days after Reply Briefs.
ARTICLE 1904.14	PANEL DECISION DUE BY -	DAY 315.

Note: The dates are counted from the date the Request for Panel review is filed with the Secretariat and assume an ideal case.

d. Chapter 20 Summary

Chapter 20 includes provisions relating to the avoidance or settlement of all disputes regarding the interpretation or application of the Agreement, except for matters covered in Chapter 11 (Investment), Chapter 14 (Financial Services) and Chapter 19 (Antidumping and Countervailing Duty final determinations).

An important role of the Commission is to consider matters relating to the Agreement which are under dispute. When general disputes concerning the NAFTA are not resolved through consultation within a specified period of time, the matter may be referred at the request of either Party to a non-binding panel under Article 2008. Model Rules of Procedure for Chapter 20 Panels have been developed by the Canadian, the United States and the Mexican Governments. Based on these Rules, a detailed timeline is established for each Chapter 20 arbitral panel (see Figure 10).

Chapter 20 also provides for scientific review boards⁴ which may be selected by a panel, in consultation with the disputing Party, to provide a written report on any factual issue concerning environmental, health, safety or other scientific matters to assist panels in rendering their decisions.

Various third Party provisions are necessarily included in Chapter 20.⁵ A third Party that considers it has a substantial interest in a disputed matter is entitled to join consultations or a proceeding as a complaining Party on written notice. If a third Party does not join as a complainant, upon written notice, it is entitled to attend hearings, make written and oral submissions and receive written submissions of the disputing Parties.

Chapter 20 also provides for an advisory committee to be established to provide recommendations to the Commission on the use of arbitration and other procedures for the resolution of international private commercial disputes.⁶

⁴ NAFTA, Article 2015.

⁵ NAFTA, Articles 2006.3, 2008.3, 2008.4 and 2013.

⁶ NAFTA, Article 2022.

Figure 10. Minimum Timeline for Chapter 20 NAFTA Arbitral Panel (Two Disputing Parties)

Article 2008	Request for Arbitral Panel by Party filed on -	Day 0.
Article 2011.1(b)	Selection of Chair to be completed by -	within 15 days after Request for Arbitral Panel.
Rule 5 & Article 2012(3)	Terms of Reference may be filed by -	20 days after filing of Request.
Article 2011.1(c)	Panel Selection to be completed by -	15 days after selection of Chair.
Rule 7	Initial Written Submission (Complaining Party) to be filed by -	10 days after Panel selection is completed.
Rule 7	Written Counter-Submission (Party Complained Against) to be filed by	20 days after Initial Written Submission.
Rule 7	Initial Written Submission (3rd. Party) to be filed by -	20 days after Initial Written Submission.
Rule 26	List of deliberators and others attending the hearing to be delivered by -	5 days before the hearing.
Rule 21	Hearing to be held by -	Hearing (to be determined by Chair).
Rule 32	Supplementary Written Submission to be filed by -	within 10 days of hearing.
Rule 38	Request for Scientific Review Board to be filed by -	not later than 15 days after the hearing.
Article 2016(2)	Initial Report to be filed by -	within 90 days after Panel selection is completed.
Article 2016(4)	Comments on Initial Report to be filed by -	within 14 days after presentation of Initial Report.
Article 2017(1)	FINAL REPORT due by -	within 30 days after Initial Report.

Note: The above assumes an ideal case.

C. Summary of Panel Reviews and Arbitral Panels under the FTA and the NAFTA

1. Summary of FTA Chapter 18 Arbitral Panel Proceedings

	Chapter 18 Arbitral Panel Proceedings (as of December 31, 1996)	Year Filed	Year Completed
1.	West Coast Salmon and Herring from Canada	1989	1989
2.	United States Regulations on Lobster	1989	1990
3.	The Interpretation of and Canada's Compliance with Article 701.3 with Respect to Durum Wheat Sales	1992	1992
4.	Treatment of Non-Mortgage Interest Under Article 304	1992	1993
5.	Puerto Rico Regulations on the Import, Distribution and Sale of UHT Milk from Quebec	1993	1993

2. Summary of FTA Chapter 19 Panel Reviews

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
1.	Polyphase Induction Motors from the U.S. (Revenue Canada Final Determination of Dumping and Subsidizing)	1989	1990		
2.	Red Raspberries from Canada (Commerce Final Results of AD Duty Administrative Review for 1986-87)	1989		Yes (1)	1990
3.	Replacement Parts for Self-Propelled Bituminous Paving Equipment from Canada (Commerce Final Results of AD Duty Administrative Review for 1986-87)	1989			1990
4.	Replacement Parts for Self-Propelled Bituminous Paving Equipment from Canada (Commerce Final Results of AD Duty Administrative Review for 1986-87)	1989			1990
5.	Dried, Heavy, Salted Codfish from Canada (Commerce Final Results of Administrative Review of AD Duty Order for 1986-87)	1989	1989		
6.	Replacement Parts for Self-Propelled Bituminous Paving Equipment from Canada (Commerce Amendment to Final Results of AD Duty Administrative Review for 1986-87)	1989	1990		
7.	Fresh, Chilled and Frozen Pork from Canada (Commerce Final Affirmative CVD Determination)	1989		Yes (2)	1991
8.	New Steel Rail, Except Light Rail, from Canada (Commerce Final Affirmative CVD Determination)	1989		Yes (1)	1990
9.	New Steel Rail, Except Light Rail, from Canada (Commerce Final Determination of Sales at Less than Fair Value)	1989			1990
10.	New Steel Rails from Canada (USITC Threat of Injury Determinations)	1989			1990
11.	New Steel Rails from Canada (USITC Threat of Injury Determinations)	1989			1990

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
12.	Fresh, Chilled or Frozen Pork from Canada (USITC Threat of Injury Determination)	1989		Yes (2)	1991
13.	Integral Horsepower Induction Motors (CITT Continuation of Injury Finding)	1990			1991
14.	Replacement Parts for Self-Propelled Bituminous Paving Equipment from Canada (Commerce Final Results of AD Duty Administrative Review for 1988-89)	1990		Yes (3)	1993
15.	Oil Country Tubular Goods from Canada (Commerce Final Determination — Abolishment of End Use Certification Procedure)	1990	1991		
16.	Sheet Piling from Canada (Commerce Final Results of AD Duty and Conciliation of Suspension Agreement Administrative Review)	1990	1991		
17.	Certain Beer Originating in or Exported from the United States of America by G. Heileman Brewing Company, Inc., Pabst Brewing Company and The Stroh Brewery Company for Use or Consumption in the Province of British Columbia (Revenue Canada Final Determination of Dumping)	1991			1992
18.	Certain Beer Originating in or Exported from the United States of America by G. Heileman Brewing Company, Inc., Pabst Brewing Company and the Stroh Brewery Company for Use or Consumption in the Province of British Columbia (CITT Injury Finding)	1991		Yes (1)	1993
19.	Oil Country Tubular Goods from Canada (Commerce Final Determination - Scope Exclusion Request)	1991	1991		
20.	Iron Construction Castings from Canada (Commerce Final Results of AD Duty Administrative Review for 1985-87)	1991	1991		
21.	Live Swine from Canada (Commerce Final Results of CVD Administrative Review for 1988-89)	1991		Yes (2)	1993

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
22.	Live Swine from Canada (Commerce Final Results of CVD Administrative Review for 1989-90)	1991		Yes (2)	1993
23.	Replacement Parts for Self-Propelled Bituminous Paving Equipment from Canada (Commerce Final Results of AD Duty Administrative Review Jan. 89 - Aug. 89)	1991	1991		
24.	Certain Machine Tufted Carpeting Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1992		Yes (1)	1993
25.	Certain Machine Tufted Carpeting Originating in or Exported from the United States of America (CITT Injury Finding)	1992		Yes (2)	1994
26.	Certain Softwood Lumber Products from Canada (Commerce Final Affirmative CVD Determination)	1992		Yes (1)	1994
27.	Certain Softwood Lumber Products from Canada (USITC Final Injury Determination)	1992		Yes (1)	Stayed
28.	Pure and Alloy Magnesium from Canada (Commerce Final Affirmative CVD Determination)	1992		Yes (1)	1994
29.	Pure and Alloy Magnesium from Canada (Commerce Final Affirmative AD Duty Determination)	1992			1993
30.	Magnesium from Canada (USITC Final Injury Determinations - (CVD))	1992		Yes (1)	1994
31.	Magnesium from Canada (USITC Final Injury Determinations - (AD))	1992		Yes (1)	1994
32.	Gypsum Board Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993		Yes (1)	1994
33.	Gypsum Board Originating in or Exported from the United States of America (CITT Injury Finding)	1993	1993		

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
34.	Tomato Paste in Containers Larger than 100 Fluid Ounces, Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993	1993		
35.	Certain Hot-Rolled Carbon Steel Plate and High Strength Low Alloy Plate, Heat-Treated or not, Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993			1995
36.	Certain Hot-Rolled Carbon Steel Sheet Products Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993			1995
37.	Certain Hot-Rolled Carbon Steel Plate and High Strength Low Alloy Plate, Heat-Treated or not, Originating in or Exported from the United States of America (CITT Negative Injury Finding)	1993			1995
38.	Certain Flat Hot-Rolled Carbon Steel Sheet Products Originating in or Exported from the United States of America (CITT Negative Injury Finding)	1993			1994
39.	Certain Cold-Rolled Steel Sheet Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993		Yes (1)	1995
40.	Certain Cold-Rolled Steel Sheet Originating in or Exported from the United States of America (CITT Injury Finding)	1993			1994
41.	Certain Solder Joint Pipe Fittings Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993	1994		

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
42.	Certain Solder Joint Pressure Pipe Fittings and Solder Joint Drainage, Waste and Vent Pipe Fittings, Made of Cast Copper Alloy, Wrought Copper Alloy or Wrought Copper, Originating in or Exported (CITT Injury Finding)	1993			1995
43.	Preformed Fiberglass Pipe Insulation with a Vapour Barrier, Originating in or Exported from the United States of America (Revenue Canada Final Determination of Dumping)	1993	1994		
44.	Preformed Fiberglass Pipe Insulation with a Vapour Barrier, Originating in or Exported from the United States of America (CITT Injury Finding)	1993	1994		
45.	Certain Cold Rolled Carbon Steel Flat Products From Canada (Commerce Final Antidumping Determination)	1993			Stayed
46.	Certain Hot Rolled Carbon Steel Flat Products From Canada (Commerce Final Antidumping Determination)	1993			Stayed
47.	Certain Corrosion-Resistant Carbon Steel Flat Products From Canada (Commerce Final Antidumping Determination)	1993		Yes (1)	1995
48.	Certain Cut-To-Length Carbon Steel Plate From Canada (Commerce Final Antidumping Determination)	1993		Yes (1)	1995
49.	Certain Corrosion-Resistant Carbon Steel Flat Products from Canada (USITC Final Injury Determination)	1993			1994

3. Summary of FTA, Extraordinary Challenge Committee (ECC) Reviews

	ECC Reviews (as of December 31, 1996)	Year Filed	Year Completed
1.	Fresh, Chilled and Frozen Pork from Canada Extraordinary Challenge Committee Proceeding	1991	1991
2.	Live Swine from Canada Extraordinary Challenge Committee Proceeding	1993	1993
3.	Certain Softwood Lumber Products from Canada Extraordinary Challenge Committee Proceeding	1994	1994

4. Summary of NAFTA Panel Reviews

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
1.	Certain Fresh, Whole, Delicious, Red Delicious and Golden Delicious Apples, Originating in or Exported from the United States of America, excluding Delicious, Red Delicious and Golden Delicious Apples Imported in Non-Standard Containers for Processing (CITT Injury Finding)	1994	1994		
2.	Synthetic Baler Twine with a Knot Strength of 200 lbs or Less, Originating in or Exported from the United States of America (CITT Injury Finding)	1994			1995
3.	Certain Corrosion-Resistant Steel Sheet Products from the United States of America (Revenue Canada Final Determination of Dumping)	1994		Yes (1)	1995
4.	Certain Corrosion-Resistant Steel Sheet Products, Originating in or Exported from the United States of America (CITT Injury Finding)	1994			1995
5.	Live Swine from Canada (Commerce Final Results of Countervailing Duty Administrative Review)	1994		Yes (1)	1995
6.	Leather Wearing Apparel from Mexico (Commerce Final Results of Countervailing Duty Administrative Review)	1994		Yes (1)	1995
7.	Import of Flat Coated Steel Products, in and from the United States of America (SECOFI Final Antidumping Duty Determination)	1994		Yes (1)	On-going
8.	Imports of Cut-to-Length Plate Products from the United States of America (SECOFI Final Antidumping Duty Determination)	1994		Yes (1)	1995
9.	Crystal and Solid Polystyrene from the United States of America (SECOFI Final Antidumping Duty Determination)	1994			1996

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
10.	Certain Malt Beverages from the United States of America (CITT Injury Finding)	1995			1995
11.	Fresh, Whole, Delicious, Red Delicious and Golden Delicious Apples, originating in or exported from the United States of America (Revenue Canada Final Determination of Dumping)	1995	1995		
12.	Machine Tufted Carpeting originating in or exported from the United States of America (Review of CITT Finding dated April 21, 1992)	1995	1995		
13.	Porcelain-on-Steel Cookware from Mexico (Commerce Final Results of 5th Antidumping Duty Administrative Review)	1995		Yes (1)	1996
14.	Gray Portland Cement and Cement Clinker from Mexico (Commerce Final Results of Antidumping Administrative Review)	1995			1996
15.	Color Picture Tubes from Canada (Commerce Determination not to revoke Antidumping Duty Orders and Findings nor to Terminate Suspended Investigations)	1995			1996
16.	Oil Country Tubular Goods from Mexico (Commerce Final Determination of Sales at less than Fair Value)	1995		Yes (1)	On-going
17.	Fresh Cut Flowers from Mexico (Commerce Final Results of Antidumping Duty Administration Review)	1995		Yes (1)	On-going
18.	Refined sugar, refined from sugar cane or sugar beets, in granulated, liquid and powdered form, originating in or exported from the United States of America (Revenue Canada Final Determination of Dumping)	1995		Yes (1)	On-going
19.	Seamless Line Pipe Originating in or Exported from the United States of America (SECOFI Final Antidumping Duty Determination)	1995	1995		

	Chapter 19 Panel Reviews (as of December 31, 1996)	Year Filed	Terminated	Remanded	Year Completed
20.	Cold-Rolled Steel Sheet Originating in or Exported from Canada (SECOFI Final Antidumping Duty Determination)	1996	1996		
21.	Rolled Steel Plate originating in or exported from Canada (SECOFI Final Antidumping Duty Determination)	1996			On-going
22.	Hot-Rolled Steel Sheet Originating in or Exported from Canada (SECOFI Final Antidumping Duty Determination)	1996			On-going
23.	Bacteriological Culture Media from Becton Dickinson and Company, and Difco Laboratories of the United States and From Unipath Limited of the United Kingdom (Revenue Canada Final Determination of Dumping)	1996	1996		
24.	Porcelain-on-Steel Cooking Ware from Mexico (Commerce Final Results of the 6th Antidumping Duty Administrative Review)	1996	1996		

5. Summary of NAFTA Chapter 20 Arbitral Panel Proceedings

	Chapter 20 Arbitral Panel (as of December 31, 1996)	Year Filed	Year Completed
1.	Tariffs Applied by Canada to Certain U.S.- Origin Agricultural Products	1995	1996

D. Index

A		
	Actual Performance	25
	Authorities	14
B		
	Background	7
	Business Line Expectations	19
	Business Line Objectives	15
	Business lines	11
C		
	Change Management Initiatives	17
	Chapter 11 Summary	30
	Chapter 14 Summary	31
	Chapter 19 Summary	31
	Chapter 20 Summary	34
	Corporate Objectives	13
D		
	Departmental Overview	7
	Departmental Performance	22
	Departmental Plan	7
	Details by Business Line	15
	Details by Business Lines	23
	Dispute settlement	30
E		
	External Factors	13
F		
	Financial Requirements	14, 26, 27
	Financial Requirements by Object	28
	FTA Arbitral Panels	36
	FTA Panel Reviews	37
	FTA, Extraordinary Challenge Committee (ECC) Reviews	42
	Functional Organization Structure	12
I		
	Introduction	7
M		
	Mandate	8
N		
	NAFTA Arbitral Panels	46
	NAFTA Panel Reviews	43
	Net Cost of the Program by Business Lines	21

O	Operating Context and Key Initiatives	16
	Organization and Program Composition	11
	Other Information	30
P	Personnel Requirements	29
	Preface	3
	Profile of Program Resources	26
	Program by Activities	14
	Program Description	9
	Program Objective	9
	Program Organization	11
	Program Resources	26
R	Resource Plans and Financial Tables	14
	Roles, Responsibilities and Mandate	7
S	Spending Authorities	14
	Stakeholders	10
	Summary of Departmental Performance	22
	Summary of Financial Requirements	27
	Summary of Financial Results	26
	Summary of Panel Reviews and Arbitral Panels	36
	Supplementary Information	26
T	The Minister's Executive Summary	6
U	Use of 1995-96 Authorities	14