

ARTICLE 19

[DISPUTE SETTLEMENTS]

1. a. Whenever a dispute arises concerning the interpretation of this Agreement, or whenever a Party considers that the other Party has failed to carry out its obligations under this Agreement, the dispute settlement mechanism described in this Article may be invoked. In addition, the dispute settlement mechanism may also be invoked if one Party considers that measures taken by the other Party, including a violation of the Annex on subsidies, severely distort the balance of trade benefits accorded by this Agreement or substantially undermine fundamental objectives of this Agreement. This paragraph shall not apply to the imposition of antidumping or countervailing duties.
 - b. When a dispute arises, the Parties shall make every attempt to arrive at a mutually agreeable resolution through consultations.
 - c. If the Parties fail to resolve the dispute through consultations, either Party may refer the matter to the Joint Committee, which shall be convened and shall endeavor to resolve the dispute.
 - d. If a dispute referred to the Joint Committee has not been resolved within a period of sixty days after the dispute was referred to it, or within such longer period as the Joint Committee has agreed upon, either Party may refer the matter to a conciliation panel. The conciliation panel shall be composed of three members: each Party shall appoint, within fifteen days of the date of referral, one member, and the two appointees shall choose, within forty-five days of the date of referral, a third who will serve as the chairman. The panel shall establish its own rules of procedure.
 - e. The panel shall endeavor to resolve the dispute through agreement of the Parties. If the panel fails to reach such a resolution, it shall, within three months after the first member is appointed, present to the Parties a report containing findings of fact, its determination as to whether either Party has failed to carry out its obligations under the Agreement or whether a measure taken by either Party severely distorts the balance of trade benefits accorded by this Agreement or substantially undermines the fundamental objectives of this Agreement, and a proposal on the settlement of the dispute. The report of the panel shall be non-binding.
 - f. If the conciliation panel under this Agreement or any other applicable international dispute settlement mechanism has been invoked by either Party with respect to any matter, the mechanism invoked shall have exclusive jurisdiction over that matter.
2. After a dispute has been referred to a panel and the panel has presented its report the affected Party shall be entitled so to take any appropriate measure.