

**CANADA – CERTAIN MEASURES AFFECTING
THE AUTOMOTIVE INDUSTRY**

Surveillance of Implementation of Recommendations and Rulings

*Appointment of Arbitrator under Article 21.3(c) of the
Understanding on Rules and Procedures Governing the Settlement of Disputes*

The following communication, dated 23 August 2000, from the Permanent Mission of Canada, the Permanent Delegation of the European Commission and the Permanent Mission of Japan, to the Director-General, is circulated pursuant to Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes*.

We refer you to the communication dated 4 August 2000 from Japan and the European Communities, requesting binding arbitration under Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the DSU) to determine the reasonable period of time for Canada to implement the recommendations and rulings of the Dispute Settlement Body (the DSB) in the matter *Canada – Certain Measures Affecting the Automotive Industry* (WT/DS139; WT/DS142; AB-2000-2) adopted 19 June 2000.

Canada, Japan and the European Communities, the parties to the dispute, have agreed on an arbitrator pursuant to footnote 12 of Article 21.3(c) of the DSU: Mr. Julio Lacarte-Muró. We would ask that you officially convey to Mr. Lacarte-Muró our agreement that he act as arbitrator in this matter. We would also appreciate that he be assisted in his functions, as arbitrator under Article 21.3(c) of the DSU, by the staff of the Appellate Body Secretariat.

The parties note that when the reasonable period of time for implementation is determined through binding arbitration, Article 21.3(c) of the DSU requires that this process be completed within 90 days after the date of adoption of the recommendations and rulings of the DSB. As the reports in this dispute were adopted on 19 June 2000, this 90-day period will expire on 17 September 2000. We, the parties to this dispute, have agreed to extend the period of time for this binding arbitration until 6 October 2000. We have agreed that the award of the arbitrator, made no later than 6 October 2000, shall be deemed to be the award of the arbitrator for the purposes of Article 21.3(c) of the DSU in determining the reasonable period of time for Canada to implement the recommendations and rulings of the DSB.
