

Joint Committee shall also be convened within 21 days at the request of either Party. Regular sessions of the Joint Committee shall be held alternately in the two countries. The Joint Committee shall establish its own rules of procedure.

ARTICLE 18

[NOTICE AND CONSULTATION]

1. a. Before either Party takes any trade measure with respect to products traded between the Parties, it shall provide prior written notice to the other Party as far in advance as maybe practicable. The notice shall include a description of the circum- stances leading to the proposed action.

b. Before either Party commits itself to take any action, unilaterally or by agreement, which would reduce the barriers to trade applicable to third countries, including those with whom that Party intends to enter into a customs union, free trade area, arrangement for frontier trade or those to whom that Party intends unilaterally to grant trade concessions, it shall provide prior written notice to the other Party as far in advance as maybe practicable.

2. If the Party affected by the proposed measure referred to in paragraph 1 requests consultations with regard to such measures the Party proposing the measure shall afford adequate opportunity for consultations regarding the proposed measures.

3. In special circumstances, where delay or prior notice would cause damage which would be difficult to remedy, action may be taken without prior notice or consultation, provided that notice and an opportunity to consult in accordance with paragraphs1 and 2 are provided as soon thereafter as practicable.

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 maybe 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 an 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.

ARTICLE 20

[SPECIFIC DUTIES]

1. In the event that the value of the currency of the United States of America, measured in Special Drawing Rights of the International monetary Fund, decreases by more than twenty percent[#], specific duties and charges imposed by the United States of America and expressed in the currency of the United States of America may be increased by no more than the amount needed to maintain the value of the specific duty in accordance with Annex 11 measured in Special Drawing Rights. The first such adjustment shall be calculated from the last adjustment prior to January 1, 1985. Subsequent adjustments shall be calculated from the date of the most recent increase in specific duties.

2. In the event that the value of the currency of Israel, measured against the currency of the United States of America, decreases by more than twenty percent, specific duties and charges imposed by Israel and expressed in the currency of Israel may be increased by no more than the amount needed to maintain the value of the specific duty in accordance with Annex 2, measured against the currency of the United States of America. The first such adjustment shall be calculated from the last adjustment prior to January 11, 1985. Subsequent adjustments shall be calculated from the date of the most recent increase in specific duties.

ARTICLE 21

[NOMENCLATURE CHANGES]

In the event that either Party changes its tariff schedules, it shall so notify the other Party. In the case of a change other than a major revision that change shall not adversely affect the tariffs applicable to any product as set forth in Annexes 1 and 2 of this Agreement. In the case of a major revision the balance of tariff concessions set forth in Annexes 1 and 2 shall be preserved. The Joint Committee shall modify the tariff nomenclature of the relevant annexes to conform to such change.

ARTICLE 22

[ENTRY INTO FORCE]

1. The entry into force of this Agreement will be subject to the completion of necessary domestic legal procedures by each Party.

2. This Agreement shall enter into force on the date on which both parties have provided written notification to each other that such procedures have been completed with paragraph 2.

3. Either Party may terminate this Agreement by written notification to the other Party. This Agreement shall expire twelve months after the date of such notification.

* * *

In Witness Whereof, the respective representatives, having been duly authorized, have signed this Agreement.

Done in duplicate, in the Hebrew and English languages, both equally authentic, at Washington, D.C., this twenty second day of April 1985, which corresponds to this first day of Iyar, 5745.

FOR THE GOVERNMENT OF ISRAEL:

Ariel Sharon FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

William E. Burk

ANNEX I

Implementation of Duty-Free Treatment for United States Imports of Products of Israel

NOTE: Effective January 1, 1995 all duties on the vast majority of Israeli exports into the United States were eliminated. For certain agricultural products, Israel retains all of its special duty-free status for