# HOW TO SETTLE DISPUTE IN INTERNATIONAL SPACE LAW: AN APPRAISAL

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# **INTRODUCTION**

"A dispute may be defined as a specific disagreement concerning a matter of fact, law or policy in which a claim or assertion of one party is met with refusal, counter-claim or denial by another."<sup>1</sup>

It is evident that the subject matter of a dispute arising from space activities will be distinctive from other disputes arising in other areas of international law.

The following factors have to consider in association with the application of legal principles and equity typically used by international dispute settlement mechanisms in arriving at an appropriate and just settlement of disputes in other areas of international law:

- 1. Huge economic investment associated
- 2. National security aspects such as dual-use technology, reconnaissance and espionage,
- 3. Global navigation and positioning for military purposes.
- 4. Level of technological and scientific uncertainty

The existence of international space law, with its rights, rules and regulations, is futile without an effective implementation mechanism that provides a sufficient and adequate remedy. In the wake of the recent proliferation of international courts and tribunals, the focus in enforcement has shifted to ensure that binding decision-making in international law is effective and enforceable. This recent emphasis on international dispute resolution is especially keen in the arena of international space law, which has no sector-specific dispute resolution system. The

<sup>&</sup>lt;sup>1</sup> Merrills, J.G., International Dispute Settlement, (3rd ed., 1998) 1

legal framework concerning activities in outer space also transcends the usual focus of international law on States. The burgeoning importance of commercialization, together with the involvement of non-governmental and international organizations in space activities, calls for the re-consideration of the status of non-State actors on the international plane.<sup>2</sup>

It is sub mitted that the development of a framework for dispute settlement is becoming increasingly necessary for space law. Space activities are becoming more expensive and complex, involving more disparate actors and affecting larger segments of society. It is submitted that a sectorialized framework for dispute settlement will ensure the coherent evolution of the law in line with developments in the field. Further, it allows for the satisfactory and efficient resolution of disagreements that might otherwise create impediments in the use of outer space for the benefit of Humanity. The lack of a dispute settlement regime in international space law does lead to an unprecedented opportunity for the law relating to international dispute settlement. Together with the boundary-crossing nature of international space law, the lack of a complete dispute settlement regime allows for the evolution of specialized and discrete dispute settlement system.<sup>3</sup>

To be suitable for legal settlement, a dispute must first be justiciable. A dispute is justiciable if it fulfils two requirements:

- 1. A specific disagreement must exist, and
- 2. The disagreement is of a kind that can be resolved by the application of rules of law.

International space law disputes can no longer be concerned exclusively with State activities in outer space. Much of its scope is unequivocally concerned with the position and activities of private entities and international organizations. However, the roots of international space law stem primarily from a law between States. Hence, States remain the primary subjects of space law.

The mainly judicial-based structure of the existing framework of international dispute settlement may not be the most effective mechanism for disputes arising from space

<sup>&</sup>lt;sup>2</sup> Gorove, S., Cases on Space Law: Texts, Comments and References, (1996)

<sup>&</sup>lt;sup>3</sup> The framework provided by the Convention on Liability for Damage Caused by Objects Launched into Outer Space (1972), adopted on 29 November 1971, opened for signature on 29 March 1972, entered into force on 1 September 1972, (1971) 961 UNTS 187, 24 UST 2389, TIAS 7762.

activities. In disputes with vital political, economic and technical implications, non-judicial settlements may often be the more effective solution.<sup>4</sup>

# THE PRESENT BASIC FRAMEWORK OF INTERNATIONAL DISPUTE SETTLEMENT: PRINCIPLES, METHODS AND <u>APPLICABILITY</u>

Methods of peaceful settlement of disputes in international law.

Five main questions:<sup>5</sup>

- 1. How do disputes arise?
- 2. What actions are parties likely to take once the dispute arises?
- **3.** Do particular parties tend to evolve special dispute settlement systems procedures to deal with their disputes?
- 4. What is the effect of third parties on the dispute settlement process?
- 5. What is the range of outcomes for different kinds of disputes?

#### **Consultations:**

Consultation and prior notification is one of the most useful dispute settlement and conflict avoidance techniques.<sup>6</sup> This procedure requires a party that is considering adopting a policy or taking an action that might adversely affect another party, to inform the other party of its intentions and to discuss the matter beforehand to avoid any potential disputes arising. Some advantages of consultation are

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<sup>&</sup>lt;sup>4</sup> Cheng, B., *General Principles of Law as Applied by International Courts and Tribunals*, (1953) Part II: Good Faith

<sup>&</sup>lt;sup>5</sup> These five criteria are adapted from the study hypotheses of various qualified publicists on international dispute settlement and domestic dispute resolution. For a detailed account of these issues, see generally *inter alia* Watts, A., "Enhancing the Effectiveness of Procedures of International Dispute Settlement", (2001) 5 Max Planck YB UN Law 21; Weston, B.H., "Regional Human Rights Regimes: A Comparison and Appraisal", (1987) 29 Vanderbilt Journal of Transnational Law 585; Brus, M. et al (eds.), *The United Nations Decade of International Law: Reflections on International Dispute Settlement*, (1991); Merrills, J.G., *International Dispute Settlement*, (2nd ed., 1991); Pazartzis, P., *Les Engagements internationaux en mati`ere de r`eglement pacifique des diff`erends entre Etats*, (1992); Schachter, O., *International Law in Theory and Practice*, (1991)

<sup>&</sup>lt;sup>6</sup> Kirgis, R., Prior Consultation in International Law: A Study of State Practice, (1983)

 Permits parties to identify and attempt the settlement of potential problems at an early stage because this is especially vital in disputes arising from space activities, where the early resolution of any potential dispute avoids the escalation of the problem into an international conflict, as well as soaring political and economic costs.

2. Consultation may give the party proposing action a better understanding of how its proposed policy may adversely affect the other party.

3. Consultation provides an opportunity for the affected party to take measures of its own to avoid or reduce the potential harm.

The use of the consultation procedure is provided for in Article XI of the Outer Space Treaty, which provides for "appropriate international consultations" in cases involving "potential harmful interference with activities of other States Parties".<sup>7</sup>

#### **Negotiation:**

Negotiation<sup>8</sup> is the method by which most international disputes are settled. The ICJ affirmed the "fundamental character of this method of settlement" in the *North Sea Continental Shelf* cases<sup>9</sup>, endorsing the opinion of its predecessor, the Permanent Court, in 1924.<sup>10</sup>

Negotiation is evidently the principal, standard and preferred method of settling international disputes. Except in cases where the dispute is directly submitted to adjudication, arbitration or conciliation by prior agreement, negotiation is generally an indispensable component of any dispute settlement process.

Negotiation is also included in many contracts and international agreements as an obligation of prior consultation<sup>11</sup>, a means of settlement, or as a preliminary to other methods of dispute

<sup>&</sup>lt;sup>7</sup> Article XI, Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and other Celestial Bodies, (1967), adopted on 19 December 1966, opened for signature on 27 January 1967, entered into force on 10 October 1967. (1967) 610 UNTS 205, 18 UST 2410, TIAS 6347,

<sup>&</sup>lt;sup>8</sup> See generally de Waart, P.J.I.M., *The Element of Negotiation in the Pacific Settlement of Disputes* (1973); Ikl'e, F.C., *How Nations Negotiate* (1964); and Lall, A., *Modern International Negotiation* (1966)

<sup>&</sup>lt;sup>9</sup> North Sea Continental Shelf cases, (1969) ICJ.

<sup>&</sup>lt;sup>10</sup> Mavrommatis Palestine Concessions case, (1924) PCIJ.

<sup>&</sup>lt;sup>11</sup> See generally Kirgis, F.L., *Prior Consultation in International Law, supra* note 61, also in Article XV(1) of the Outer Space Treaty,

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settlement.<sup>12</sup> Negotiations have also been formalized through the establishment of permanent commissions.<sup>13</sup> In some cases, negotiations were obliged by judicial decisions, for example by the ICJ in the *North Sea Continental Shelf* and *Fisheries Jurisdiction* cases. An unjustifiable failure to fulfill the obligation to negotiate could be considered a breach of international law, resulting in sanctions being imposed.<sup>14</sup>

Negotiation has recently been brought to the forefront in both the international plane and in domestic jurisdictions as a type of Alternative Dispute Resolution - an alternative to judicial settlement.

This echoes the judgment of the ICJ in the *North Sea Continental Shelf cases*.<sup>15</sup> The Court held that the parties to a dispute are under an "obligation so as to conduct themselves that the negotiations are meaningful".<sup>16</sup> Specific obligations to negotiate may also arise under a treaty, such as Article 283 of the 1982 UNCLOS.

Negotiation is a process where the parties directly communicate and bargain with each other in an attempt to agree on a settlement of the issue.

Reasons that attract parties to the use of negotiation as a method of dispute settlement include:

1. Negotiation is a low-risk mechanism for dealing with disputes. Parties retain maximum control over both the process and outcome, since they preserve the option to walk away from the negotiation and not agree.

- 2. Negotiation places the responsibility for settling the dispute on the parties themselves.
- 3. Negotiation is most likely to result in the most accepted and stable outcome.

4. It favors compromise and accommodation between the parties, rather than a zero-sum win/lose situation.

5. Negotiation is generally simpler and less costly than other dispute settlement methods.

<sup>&</sup>lt;sup>12</sup> See Collier and Lowe, .

<sup>&</sup>lt;sup>13</sup> For example, the Canada-US International Joint Commission established under the 1909 Treaty Relating to Boundary Waters and Questions Arising Along the Boundary, (1909) 36 Stat. 2448.

<sup>&</sup>lt;sup>14</sup> Lac Lacnoux (France v. Spain) (1957) 24 ILR 101 at 127

<sup>&</sup>lt;sup>15</sup> Ibid

<sup>&</sup>lt;sup>16</sup> North Sea Continental Shelf cases,

#### **Inquiry and Fact Finding:**

Article 9 of the 1907 Hague Convention describes the task of a commission of inquiry as "to facilitate a solution by means of an impartial and conscientious investigation". Article 35 of the same Convention limits its report "to a statement of facts" that "has in no way the character of an award". Instruments that are more recent however, give inquiry and fact-finding bodies' powers to evaluate the facts legally and to make recommendations. Examples of this include the 1977 Additional Protocol I to the 1949 Geneva Red Cross Conventions, and the 1982 UNCLOS.<sup>17</sup> A successful instance of inquiry commissions established under the 1899 Convention was the commission that investigated the 1904 *Dogger Bank* incident.<sup>18</sup>

In 1963 the UN General Assembly passed a resolution on fact-finding in the maintenance of international peace and security.<sup>19</sup> Another resolution was passed in 1968 requesting the Secretary-General to prepare a register of experts who could be employed in fact-finding.<sup>20</sup>

#### **Mediation and Good Offices:**

Mediation and good offices<sup>21</sup> are especially expedient when the animosity between the parties is so great that direct negotiations are unlikely to be successful.

In mediation a third, party intervenes to reconcile the disputants' claims and advance a compromise solution.

The difference between mediation and good offices is that in mediation the mediator takes active steps to settle the dispute. Good offices on the other hand, occurs where the third party acts to initiate or continue negotiations, but does not actively participate in the settlement of the dispute.<sup>22</sup> In practice however, they are both very similar procedures. Nonetheless, the 1899 and 1907 Hague Conventions do differentiate between the two processes.<sup>23</sup> Article 33(1) of the UN Charter does not specifically mention good offices, although the UN Secretary-General has frequently undertaken good offices intervention.

<sup>&</sup>lt;sup>17</sup> Article 9, Article 35, 1907 Hague Convention,

<sup>&</sup>lt;sup>18</sup> Scott, J.B., The Hague Court Reports, First Series (1916) at 404

<sup>&</sup>lt;sup>19</sup> UN GA Res. 1967 (XVIII)

<sup>&</sup>lt;sup>20</sup> UN GA Res. 2329 (XXII). The register was completed and issued in September 1968.

 <sup>&</sup>lt;sup>21</sup> See generally Touval S. and Zartmann, L.W. (eds.), *International Mediation in Theory and Practice* (1985)
<sup>22</sup> Bindschedler, R.L., "Good Offices", (1995) EPIL II 601

<sup>&</sup>lt;sup>23</sup> McGinley, G.P., "Ordering a Savage Society: A Study of International Disputes and a Proposal for Achieving their Peaceful Resolution", (1984) 25 Harvard ILJ 43

Mediation and good offices both require the consent and co-operation of the disputants. Proposals from the third party are not binding, requiring the parties' consent to be implemented.<sup>24</sup>

A mediator has to enjoy the confidence of both parties. It is often difficult to find a mediator who fulfils this requirement. The dispute between Argentina and Chile over the implementation of the *Beagle Channel* award,<sup>25</sup> was one such case.

Mediation and good offices have been provided for in several treaties, including the 1948 Pact of Bogot<sup>26</sup>, the Pact of the League of Arab States<sup>27</sup>, the 1964 Charter of the Organization of African Unity<sup>28</sup> and the 1959 Antarctic Treaty<sup>29</sup>. The UN Secretary-General has frequently performed good offices, *inter alia* in 1964 in Cyprus, Kampuchea in 1989 and Afghanistan in 1988. Mediation is also extensively used in mixed and purely private law disputes.<sup>30</sup>

Mediation is thus akin to flexible negotiations with the participation of a third party. A mediator can also provide financial support and other valuable assistance in the implementation of the agreed solution. In the 1951 - 1961 dispute between India and Pakistan on the waters of the Indus basin, the World Bank mediated a successful resolution.

The WTO Dispute Settlement Understanding for example, provides in Article 4 for consultations and explicitly mentions the obligation of good faith. Article 5, providing for mediation, does not mention good faith.<sup>31</sup> It is submitted, however, that good faith is a necessary requirement for any dispute settlement mechanism to be effective. As such, the omission in Article 5 of the WTO Dispute Settlement Understanding is probably more an oversight by its drafters than any indication to the effect that the principle of good faith does not apply to mediation.

<sup>30</sup> Bu<sup>"</sup>hring-Uhle, Arbitration and Mediation in International Business (1996)

<sup>&</sup>lt;sup>24</sup> Probst, R.R., "Good Offices' in the Light of Swiss International Practice and Experience", (1989)

<sup>&</sup>lt;sup>25</sup> Beagle Channel Arbitration, (1978) 17 ILM 632; Moncayo, G.R., "La M'ediation pontificale dans l'affaire du canal Beagle". (1993) Receuil des Cours 242

<sup>&</sup>lt;sup>26</sup> Articles IX - XIV, American Treaty on Pacific Settlement (1948) 30 UNTS 55

<sup>&</sup>lt;sup>27</sup> Pact of the League of Arab States, (March 22, 1945) 70 UNTS 237

<sup>&</sup>lt;sup>28</sup> Charter of the Organization of African Unity, (May 25, 1963), 479 UNTS 39, reprinted in (1963) 2 ILM 766

<sup>&</sup>lt;sup>29</sup> Antarctic Treaty 1959, opened for signature at Washington December 7, 1959. 97 UKTS Cmd. 1535, 402 UNTS 71 [hereinafter "Antarctic Treaty"]

<sup>&</sup>lt;sup>31</sup> *Ibid* 

Factors that would be unfavorable for mediation in space disputes include:

1. Mediation presupposes that the intervening third party has some influence in disputes arising from space activities.

2. Mediation has no set procedure.

3. Mediation also requires a third party that enjoys the confidence of the disputants which is difficult to find such a third party in disputes arising from space activities.

However, it is submitted that mediation and good offices can still play a very significant role in disputes arising from space activities.

#### **Conciliation:**

In 1961, the Institut de droit international defined conciliation as:

"A method for the settlement of international disputes of any nature according to which a Commission set up by the Parties, either on a permanent basis or an ad hoc basis to deal with a dispute, proceeds to the impartial examination of the dispute and attempts to define the terms of a settlement susceptible of being accepted by them or of affording the parties, with a view to settlement, such aid as they may have requested."<sup>32</sup>

Under the Conciliation Rules of the International Chamber of Commerce (ICC),<sup>33</sup> the distinction between "mediation" and "conciliation" makes no practical difference. This is because the Conciliation Rules leave it to the conciliator whether or not to make settlement proposals.<sup>34</sup>

The evolution of conciliation as a separate method of dispute settlement in international law began with the 1913 Bryan Treaties.

Conciliation as a methods of dispute settlement has gained recent popularity with prominent commissions investigating, for example, the violence accompanying East Timor's

<sup>32</sup> Article 1, Regulation on the Procedure of International Conciliation, (1961) 49-II Ann. IDI 385

<sup>33</sup> The International Chamber of Commerce deals with commercial disputes and not with inter-State disputes.

<sup>&</sup>lt;sup>34</sup> Schwartz, E.A., "International Conciliation and the ICC", (1995) 10 ICSID.

independence referendum,<sup>35</sup> NATO's bombing campaign in the former Yugoslavia,<sup>36</sup> and the spate of violence in the Middle East.<sup>37</sup>Israel and Egypt also turned to conciliation in the Taba dispute.

Conciliation also has advantages, as compared with other methods of international dispute settlement. Advantages include

1. Conciliation is more flexible than other binding third party dispute settlement mechanisms such as arbitration or adjudication.

2. Conciliation allows compromises to be made more easily.

3. Conciliation allows parties to avoid losing face and prestige by voluntarily accepting the proposal of the third party.

4. Conciliation allows parties to remain in control of the outcome.

5. Conciliation does not create a legal precedent for the future.

An ironic phenomenon associated with conciliation is that it generally needs a subsequent binding third party dispute settlement mechanism in the event of its failure, for it to succeed. Eight of the twenty cases submitted to conciliation were settled on the basis of recommendations of the respective conciliation commissions. In all but one case, failing conciliation, compulsory arbitration had been provided for.<sup>38</sup>

## Arbitration:

There is a mounting interest presently in binding means of dispute settlement. Binding settlement can be attained through arbitration and judicial settlement. Arbitration is the older mechanism and is less formal than judicial settlement. There has recently been a decline in inter-State arbitration compared with the immense escalation in international commercial

<sup>&</sup>lt;sup>35</sup> "UN Investigator Names Indonesia Army Officers in Violence Probe", Agence Francais Press, (20 April 2001)

<sup>&</sup>lt;sup>36</sup> Final Report to the Prosecutor by the Committee Established to Review the NATO Bombing Campaign Against the Federal Republic of Yugoslavia, available online at http://www.un.org/icty/pressreal/nato061300.htm, Last accessed: 04 Sept. 2017).

<sup>&</sup>lt;sup>37</sup> Sharm El-Sheikh Fact-Finding Committee, Mitchell Panel Report, available online at http://usinfo.state.gov/regional/nea/mitchell.htm, (Last accessed: 04 Sept. 2017).

<sup>&</sup>lt;sup>38</sup> Merrills, J.M., International Dispute Settlement,

arbitration in inter-State and mixed disputes. The success of international commercial arbitration is owing mostly to the fact that the problem of the enforcement of arbitral awards was resolved through the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.<sup>39</sup>

Arbitration involves the settlement of a dispute between parties through a legal decision of one or more arbitrators and an umpire.<sup>40</sup> The arbitration may involve one specific issue, or it may be concerned with claims and counterclaims. Arbitration may take the form of an *ad hoc* procedure for the settlement of a particular dispute. It may also be institutionalized for the settlement of a class of disputes, such as that of the International Centre for the Settlement of Investment Disputes (ICSID).

Arbitration has a long history in international law.<sup>41</sup> and<sup>42</sup>. It evolved its recognizable modern form from the 1794 Treaty of Amity, Commerce and Navigation ("Jay Treaty"). This established arbitral tribunals consisting of an equal number of members appointed by the two disputing States, with an umpire in the event of disagreement, to consider claims by nationals of the United Kingdom and the United States.<sup>43</sup> The Jay Treaty commissions decided many claims by awards based on legal principles.

The typically modern form of arbitration consists of a tribunal reaching a reasoned decision based on law through an essentially judicial process. It was first undertaken by the United States and the United Kingdom in the 1871 Washington Treaty.<sup>44</sup> That treaty established a tribunal to arbitrate the 1872 *Alabama* claims, which was proclaimed a great achievement. Subsequently, its success was followed in other disputes, such as the 1893 Behring Sea Fur Seal case and the 1897 British Guiana-Venezuela Boundary dispute.<sup>45</sup> The accomplishments of the *Alabama* claims also motivated the parties at the 1899 Hague Peace Conference. As a result, the 1899 Hague Convention established the Permanent Court of Arbitration.

<sup>&</sup>lt;sup>39</sup> New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958), 21 UST 2517, 330 UNTS 38

<sup>&</sup>lt;sup>40</sup> See generally Chapal, P., *L'arbitrabilit'e des diff'errends internationaux (1967)* <sup>138</sup>ICSID is discussed *infra* in Chapter 4.

<sup>&</sup>lt;sup>41</sup> see generally Stuyt, A.M., Survey of International Arbitration 1794 - 1989, (3rd ed.,

<sup>&</sup>lt;sup>42</sup> Ibid

<sup>&</sup>lt;sup>43</sup> Text at (1794) 1 BFSP 784

<sup>&</sup>lt;sup>44</sup> Text at (1871) 61 BFSP 40

<sup>&</sup>lt;sup>45</sup> see Schwarzenberger, G., *International Law as applied by International Courts and Tribunals*, Vol. IV, (1986) 1 - 94

Arbitration is a shift away from the balance-of-power system of negotiated settlements towards a more principled system. It intended to bring the rule of law into international relations and to replace the use of force with legal settlement. However, arbitration is distinct from adjudication. Arbitration is similar to judicial settlement in that an arbitral award is in principle binding on the parties and that, unless the parties specify otherwise, it is based upon rules of international law. Arbitration differs from judicial settlement in several ways. The arbitration agreement, usually termed the "compromis d'arbitrage", may allow dispute settlement based on extra-legal standards. The *compromis* may otherwise lay down the standards by which the tribunal is to decide the case.<sup>46</sup>Further, the tribunal consists of persons chosen by the parties. It is typically instituted to handle a particular dispute or class of disputes. Arbitration is usually confidential and the award may remain confidential if the parties so desire. One disadvantage is that the parties have to pay the arbitrators and meet other expenses of the arbitration, thus making it more expensive than judicial settlement.<sup>47</sup> Some important disputes settled by ad hoc arbitration are -the Air Transport Agreement arbitration (USA v. France) (1963), the 1968 Rann of Kutch arbitration (India v. Pakistan), the 1978 Beagle Channel cases (Chile v. Argentina), the 1978 Channel Continental Shelf arbitration (France v. United Kingdom), the Taba arbitration (Egypt v. Israel), and the Rainbow Warrior case (New Zealand v. France) (1990). The most striking attribute of arbitration recently however, is the growth of mixed arbitrations.

Arbitration has been mooted vigorously as the most suitable means of dispute settlement for disputes arising from outer space. The strengths of arbitration as such a means for space disputes are apparent:

1. Arbitration results in final, binding decisions. Although several other methods of dispute settlement can help parties reach a settlement, most of them rely on party *bona fides* and cooperation to be enforced.

<sup>&</sup>lt;sup>46</sup> For example, Article 6 of the 1871 Treaty of Washington, (1871) 61 BFSP 40, laid down the applicable law for the arbitral tribunal.

<sup>&</sup>lt;sup>47</sup> For example, parties need not make these payments to the ICJ. The expenses of the ICJ are borne by the United Nations' budget.

2. There is international recognition of arbitral awards. Over 134 States have signed the 1958 New York United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards.<sup>48</sup>

- 3. Arbitration is a neutral process. In arbitral proceedings, parties can put themselves on an equal basis in six essential factors:
  - a. Place of arbitration
  - b. Language used
  - c. Applicable procedural rules
  - d. Applicable substantive law
  - e. Nationality
  - f. Legal representation

4. Arbitration makes use of the specialized competence of arbitrators. Judicial settlement does not allow disputing parties to choose their own judges.

- 5. Arbitration is known for its speed and economy.
- 6. Arbitration preserves confidentiality.

## **Claims Tribunal & Compensation Commissions:**

Two novel innovations in the field of international dispute settlement evolved recently. The first is the Iran-United States Claims Tribunal, established in the wake of the Iranian Islamic revolution in 1979. The second is the United Nations Compensation Commission, set up pursuant to a UN Security Council Resolution in the aftermath of Iraq's expulsion from Kuwait in the 1990 Gulf War. These two commissions are especially unique in their terms of reference, parties, composition and structure.

<sup>&</sup>lt;sup>48</sup> See *supra* note 42.

The Iran United States Claims Tribunal,<sup>49</sup> is probably the most notable body in the development of international arbitration.<sup>50</sup> TheTribunal was created by the 1981 Algiers Declarations<sup>51</sup> as part of a settlement of the Tehran hostages crisis mediated by Algeria.

The Tribunal has the jurisdiction to give final and binding decisions in four areas:

- Claims of nationals of the United States against Iran and claims of nationals of Iran against the United States, and any counterclaim which arises out of the same contract, transaction or occurrence that constitutes the subject matter of that national's claim, if such claims and counterclaims are outstanding on the date of the Agreement, and arise out of debts, contracts, expropriations or other measures affecting property rights;<sup>52</sup>
- Official claims of the United States and Iran against each other arisingout of contractual arrangements between them for the purchase and sale of goods and services;<sup>193</sup>
- 3. Disputes on whether the United States has met its obligations in connection with the return of the property of the family of the former Shah of Iran;<sup>53</sup> and
- 4. Other disputes concerning the interpretation or application of the Algiers Accords.<sup>54</sup>

The Tribunals' Constitution and procedural rules were modified from the 1976 UNCITRAL Arbitration Rules for conducting international commercial arbitration<sup>55</sup>.

These two bodies constitute an important study in the development of dispute settlement systems for space activities.

<sup>52</sup> Claims Settlement Declaration, Article II(1), see *supra* note 187 <sup>193</sup>Claims Settlement Declaration, Article II(2),

<sup>&</sup>lt;sup>49</sup> Avanessian, A., *The Iran-United States Claims Tribunal* (1991); Aldrich, G.H., *The Jurisprudence of the Iran-United States Claims Tribunal*, (1996)

<sup>&</sup>lt;sup>50</sup> Lillich, R.B. (ed.), *The Iran-United States Claims Tribunal* (1984)

<sup>&</sup>lt;sup>51</sup> Declaration of the Government of the Democratic and Popular Republic of Algeria concerning the Settlement of Claims by the Government of the United States of America and the Government of the Islamic Republic of Iran (Claims Settlement Declaration); (1981) 20

ILM 224

<sup>&</sup>lt;sup>53</sup> General Declaration para. 16

<sup>&</sup>lt;sup>54</sup> General Declaration para. 17

<sup>55 (1976) 15</sup> ILM 701

#### **Judicial Settlement:**

If the above methods of settlement fail to resolve the dispute, some treaties provide for judicial settlement. This results in a third-party decision legally binding upon the parties. Adjudication is performed by a standing court. Among the few permanent international courts and tribunals,<sup>56</sup> the International Court of Justice (ICJ) is without doubt the most important.

# **CONCLUSION**

From the above analysis, several conclusions can be drawn like:

- Firstly, there are many established and tested means of international dispute settlement that have seen successes and setbacks over the last century.
- Secondly, although there has not been much experience of these means in the resolution of disputes arising from space activities, it is clear that each has its own advantages and disadvantages.
- Thirdly, some of these schemes of dispute settlement are more suited to certain types of disputes.

This suitability or otherwise is dependent upon the particular factors and desired outcomes of the dispute at hand.

<sup>&</sup>lt;sup>56</sup> See generally Gray, C., Judicial Remedies in International Law (1990); Guillaume, G., Les Formations restreintes des jurisdictions internationals, (1992); Janis, M.W. (ed.), International Courts for the Twenty-First Century (1992)