

"b. If the panel agrees that the CMHC findings and evaluation are unbiased and technically accurate, the Parties shall begin tariff reductions on January 1, 1989 for plywood tariff linkage categories.

"c. If the panel does not complete its review by January 1, 1989 or does not agree with the CMHC findings and evaluation, the provisions of Article 2008 shall apply.

"4. For purposes of this letter: "C-D grade plywood" shall mean C-D grade plywood with exterior glue as described in U.S. Product Standard PS-1 for Construction and Industrial Plywood that is marked by a grading organization such as the American Plywood Association.

"I have the honour to propose that this understanding be treated as an integral part of the Free-Trade Agreement.

"I further have the honour to propose that this letter and your letter of confirmation in reply constitute an agreement between our two Governments, to enter into force on this day."

I have the honor to confirm that the understandings expressed in your letter are shared by my Government, and that your letter and this reply shall constitute an agreement between our respective Governments, to enter into force on this day.

Yours sincerely,

Clayton Yeutter