

- (b) determine appropriate adjustments to the Export Measures to compensate for the breach if that Party fails to cure the breach within the reasonable period of time.

23. The compensatory adjustments that the tribunal determines under paragraph 22(b) shall consist of:

- (a) in the case of a breach by Canada, an increase in the Export Charge and/or a reduction in the export volumes permitted under a volume restraint that Canada is then applying or, if no Export Charge and/or volume restraint is being applied, the imposition of such Export Charge and/or volume restraint as appropriate; and
- (b) in the case of a breach by the United States, a decrease in the Export Charge and/or an increase in the export volumes permitted under a volume restraint that Canada is then applying.

Such adjustments shall be in an amount that remedies the breach.

24. Such adjustments may be applied from the end of the reasonable period of time until the Party Complained Against cures the breach.

25. In the case of a breach by Canada attributable to a particular Region, the tribunal shall determine the compensatory adjustment applicable to that Region.

26. If Canada considers that the United States has failed to cure a breach by the end of the reasonable period of time, Canada may make the compensatory adjustments that the tribunal has determined under paragraph 22(b).

27. If the United States considers that Canada has failed to cure a breach and has not made the compensatory adjustments that the tribunal has determined under paragraph 22(b) by the end of the reasonable period of time, the United States may impose compensatory measures in the form of volume restraints and/or customs duties on imports of Softwood Lumber Products from Canada, as follows:

- (a) the amount of the volume restraints shall not exceed the adjustment to the volume restraints that the tribunal has determined; and
- (b) the customs duties shall not exceed the adjustment to the Export Charges that the tribunal has determined.