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# news release

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## MACLAREN WELCOMES FAVOURABLE EXTRAORDINARY CHALLENGE DECISION ON SOFTWOOD LUMBER

The Honourable Roy MacLaren, Minister for International Trade, welcomed today's decision by the Canada-U.S. Free Trade Agreement (FTA) Extraordinary Challenge Committee (ECC) which dismissed U.S. allegations of conflict of interest and incorrect application of U.S. law regarding softwood lumber. The U.S. allegations were the last challenge to the FTA binational panel ruling that Canadian stumpage mechanisms and British Columbia log export controls are not countervailable subsidies.

"This has been a long, costly and hard-fought case. The win was the result of the strong Canadian defence mounted jointly by the industry, the provinces and the federal government," said Mr. MacLaren. "We expect the U.S. Administration to implement the ECC's findings as quickly as possible, which will result in refunds, with interest, of the approximately \$800 million in cash deposits that have been paid to date."

"I would like to underscore that the decision also means that two Canadian panelists, Richard Dearden and Lawson Hunter, named in the U.S. allegation, have been found not to be in conflict of interest," Mr. MacLaren stated.

"I continue to believe that trade remedy actions such as this are not appropriate in the context of an integrated North American market. I hope that the work of the North American Free Trade Agreement Working Groups on Anti-Dumping and Subsidies/Countervail will facilitate the resolution of such problems in the future," the Minister concluded.

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