

## ARTICLE VIII

### Surge mechanism

1. This Article shall apply when the volume of exports of Softwood Lumber Products to the United States in any month from a Region that has elected Option A under Article VII exceeds the Region's Trigger Volume:
  - (a) if the volume of exports from the Region exceeds the Region's Trigger Volume by 1% or less in a month, Canada shall reduce the applicable Trigger Volume for that Region during the following month by the total MBF amount of the overage (i.e., the amount by which actual exports exceeded the Trigger Volume);
  - (b) if the volume of exports from the Region exceeds the Region's Trigger Volume by more than 1% in a month, Canada shall apply retroactively to all exports to the United States from the Region during that month an additional Export Charge equal to 50% of the applicable Export Charge determined under Article VII(3) for that month.
2. For the purposes of this Article, a Regional Trigger Volume shall be calculated in accordance with Annex 8.

## ARTICLE IX

### Third country adjustment

1. Under either Option A or Option B, Canada shall refund to exporters in a Region in the amounts specified in paragraph 2, Export Charges they have paid during any 2 consecutive Quarters if all of the following circumstances have occurred in each such Quarter when compared with the same 2 consecutive Quarters from the preceding Year:<sup>3</sup>
  - (a) the share of U.S. Consumption attributable to non-Canadian imports ("third country market share") has increased by at least 20%;

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<sup>3</sup> For the purposes of Article IX, each individual Quarter included in 2 "consecutive Quarters" is to be compared only with the same Quarter from the preceding year. For example, the 2<sup>nd</sup> Quarter of 2007 would be compared to the 2<sup>nd</sup> Quarter of 2006 and the 1<sup>st</sup> Quarter of 2007 would be compared to the 1<sup>st</sup> Quarter of 2006 in order to determine if the conditions in paragraph 1 are satisfied.