

QUESTION

What is the relationship between this case and the Clinton Administration's efforts to develop a comprehensive forest-management/timber policy?

ANSWER

There is no direct relationship between the binational panel review process and the Clinton Administration's efforts to develop a comprehensive forest-management/timber policy.

However, we note that in the context of the Timber Summit that took place on April 2, 1993 in Portland, Oregon, the U.S. Home Builders' Association and the U.S. Lumber Dealers' Association argued that in light of escalating lumber prices and decreasing U.S. timber supply, the U.S. duty on Canadian lumber made little sense and was contributing to rapidly increasing housing costs.

We agree with the U.S. home builders' and lumber dealers' assessment that a countervailing duty on Canadian softwood lumber cannot be justified in light of current economic conditions in the North American market.

QUESTION

Can the United States terminate the countervailing duty?

ANSWER

Yes. The removal or reduction of the countervailing duty could result from the panel remand process.

QUESTION

How long will Canadian companies have to pay the duty?

ANSWER

Duties will continue to be assessed pending the outcome of the FTA panel remand process. Once the process is completed, any reduction or elimination of the countervailing duty will result in the refund of duties paid to date, with interest.