

- (d) payments or other compensation to First Nations to address or settle claims; and
- (e) measures that are not specific to the forest products industry.

3. Either Party may consult with the other if it believes the other Party has substantially failed to enforce its legal requirements in a manner that has a material impact on the price or cost of harvesting Softwood Sawtimber.

4. In respect of British Columbia:

- (a) the MPS shall be considered a provincial timber pricing or forest management system that existed on July 1, 2006. Any action that conflicts with measures in the documents listed in Article XXI(35) may constitute circumvention;
- (b) Canada warrants that a central purpose of the MPS is to implement a system that is more sensitive to market forces than pre-existing systems. The MPS and fluctuations in stumpage charges that result from the operation of the MPS, including fluctuations resulting from changes in market conditions or other factors, such as transportation costs, exchange rates, timber quality, and natural harvesting conditions, shall not constitute circumvention of the SLA 2006 or offset its commitments;
- (c) modifications to the MPS that improve the statistical accuracy and reliability of the MPS regression equations (that relate winning bids on, or the number of bidders participating in, timber auctions to explanatory variables) shall not constitute circumvention of the SLA 2006 or offset its commitments; and
- (d) compensation that the Government of British Columbia is legally obliged to pay for tenure rights taken back by the Province and determined by binding arbitration or negotiated settlements of legal claims approved by the Province's Minister of Finance and that have been certified by the Province's Attorney General as being in the public interest, shall not constitute circumvention of the SLA 2006 or offset its commitments.