

The Committee was formed on April 25, 1994 and held oral hearings on June 13 and 14, 1994.

Annex 1904.13 of the FTA provides that the Committee must render its decision typically within 30 days of its establishment. The decision of the Committee is binding on both governments. The Committee can extend the time limits in the interest of fairness and justice, as was the case in the two previous extraordinary challenges launched in 1991 and 1993, as well as the current Committee.

In rendering its decision, the Committee can affirm the decision of the binational panel, vacate the decision, or remand the decision back to the panel for further consideration, accompanied by instructions from the Committee.

The current Committee rendered its ruling on August 3, 1994, affirming the decision of the FTA Subsidy Panel that provincial stumpage programs and British Columbia log export restrictions do not constitute a subsidy.

#### **U.S. CONSTITUTIONAL CHALLENGE**

On September 14, 1994 the U.S. industry Coalition filed a constitutional challenge to the Chapter 19 process in general and the softwood lumber case in particular. The Coalition requested the U.S. Court of Appeals to declare the Chapter 19 system and the U.S. laws implementing them to be unconstitutional. They further requested that the countervailing duty on softwood lumber be reinstated.

On October 14, separate protective filings were made by the Canadian government, the province of Quebec, and industry associations to safeguard future intervention rights in this case.

On December 15, 1994, the U.S. industry Coalition withdrew its constitutional challenge.

#### **REQUEST FOR ADMINISTRATIVE REVIEW**

An administrative review may be conducted by the DOC at least once during each 12-month period, beginning on the anniversary of the date that a CVD order is issued. The review process is not automatic, and must be requested in writing by an interested party during the anniversary month of the publication of the order. Such reviews are designed to determine the actual amount of subsidization during a particular period, and adjust the CVD accordingly.

An administrative review is essentially a replay of the original investigation, and is therefore an extensive procedure. It involves issuance of questionnaires, presentation of arguments by interested parties and publication of initial and final results of the review.