

ruled that the United States violated its international trade obligations when it imposed the interim Section 301 duties (October 1991 - March 1992). However, the panel ruled that the United States was entitled to initiate the countervailing duty investigation. The GATT panel report is now being considered by the GATT Subsidies Codes Committee.

QUESTION

What is the relation between the GATT panel and the FTA panels?

ANSWER

The GATT and FTA panels ruled on different issues. The GATT panel was asked to determine whether the U.S. had acted consistently with its GATT obligations when it self-initiated the countervailing duty investigation. The FTA panels determine whether U.S. law is applied correctly by the investigating authorities.

QUESTION

What is the volume of trade affected by the U.S. duty?

ANSWER

Canada's exports to the United States were roughly 13 billion board feet in 1992, worth C\$4 billion. Canada accounted for roughly 29 percent of U.S. consumption during the period 1990-92.

QUESTION

How are the FTA injury and subsidy panels related?

ANSWER

The two FTA panels originate from the same action, the imposition of countervailing duties on imports of Canadian softwood lumber. For a countervailing duty to be levied, both the elements of injury to a domestic industry and the subsidization of imports must be present. This panel dealt with the ITC's injury determination. The other panel deals with the subsidy determination made by the DOC based on the record of the subsidy investigation. The subsidy panel reported on May 6, 1993.