

- (e) if, in any Year, a company's actual exports exceed its annual export limit by 0.5% or less, the company shall not be subject to a volume reduction penalty in the following Year, and such exports shall be disregarded in determining whether the company has exceeded its annual export limit under clauses (f) through (i);
- (f) if, in any Year, a company's actual exports exceed its annual export limit, its limit for the following Year shall be reduced by the amount of the excess;
- (g) if, in any subsequent Year (whether or not consecutive), the company again exceeds its annual export limit, its limit for the following Year shall be reduced by twice the amount of the excess;
- (h) if, in any subsequent Year (whether or not consecutive), the company again exceeds its annual export limit, its limit for the following Year shall be reduced by 3 times the amount of the excess; and
- (i) if, in any subsequent Year (whether or not consecutive), the company again exceeds its annual export limit, the Softwood Lumber Products that company produces shall no longer be excluded from the Export Measures.

3. With respect to each company listed in Annex 10, the province in which the company is located shall provide Canada before the Effective Date with a certified statement attesting to the company's total production of Softwood Lumber Products for 2004 and 2005. Canada shall provide these statements to the United States within 10 days of receipt. This information shall not be treated as confidential under Article XVI. If exclusion of a company is limited to one or more mills, "company" in this Article shall be limited to those one or more mills. The Parties shall cooperate with respect to monitoring and enforcement, as contemplated in Article XV, in respect of claims of exclusion under this Article.

4. The Parties may agree to additional exclusions from the SLA 2006 for Softwood Lumber Products produced from U.S.-origin logs or logs originating on private land in Canada.