

retain their original classification under tariff heading 4418. The U.S. has entered a reservation which the WCO will address during its October 1999 session.

c) *Notched Studs Lumber (Canada v. USA)*

In February 1997, the U.S. Customs Service made four rulings which had the effect of placing notched studs lumber products outside the scope of the 1996 Canada-U.S. Softwood Lumber Agreement. On June 1, 1999, the U.S. Customs Service revoked the earlier rulings, thus reclassifying these products into a tariff heading covered by the Agreement. Consultations were held under the Agreement at Canada's request on June 24, 1999.

Canada also placed the product classification aspect of this dispute on the agenda for the October 1999 meeting of the World Customs Organization (WCO) Harmonized System Committee.

d) *Rougher Headed Lumber (Canada v. USA)*

On March 10, 1999, U.S. Customs announced a proposal to reclassify rougher headed lumber from a tariff heading which is outside the scope of the 1996 Canada-U.S. Softwood Lumber Agreement to a tariff heading which is covered by the Agreement. Canada requested consultations under the Agreement on March 26, 1999. Consultations were held on April 21, 1999. On June 9, 1999, Canada requested arbitration. The panel selection stage is proceeding.

Canada also placed the product classification aspect of this dispute on the agenda for the October 1999 meeting of the World Customs Organization (WCO) Harmonized System Committee.