

2. If a Region satisfies the substantive criteria and procedures for exemption developed and set forth in an addendum referred to in paragraph 1, Softwood Lumber Products from that Region shall be exempted from the Export Measures in Articles VII through IX and Article X(2) and thereafter subparagraphs (a) and (b) shall apply with respect to that Region.

(a) No public authority of Canada shall:

- (i) modify the provincial timber pricing or forest management system as it existed on the date of the exemption, or change its administration in a manner that decreases the extent to which the system is market-determined. For purposes of this Article, a provincial timber pricing or forest management system includes, without limitation, the data, variables, and procedures that it employs, or
- (ii) provide any grants or other benefits that offset, in whole or in part, the basis for the exemption under an addendum pursuant to paragraph 1. A grant or benefit shall be considered to offset, in whole or in part, the basis for the exemption, if it is provided, *de facto* or *de jure*, to producers or exporters of Softwood Lumber Products in the Region. This clause shall not apply to grants or benefits that satisfy the criteria in Article XVII(2)(a), (b), (c), (d), or (e). For purposes of determining whether a grant or benefit meets the criteria of Article XVII(2)(a), a measure shall not be considered to offset the basis for the exemption if it existed on the date on which the Region was exempted from the Export Measures pursuant to paragraph 1;