



For Immediate Release
February 27, 2009

Contact: Dan Virkstis
(202) 224-4515

**BAUCUS APPLAUDS COURT'S DECISION REGARDING
U.S. – CANADA SOFTWOOD LUMBER AGREEMENT**

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded an international tribunal's decision ordering Canada to compensate the United States for Canada's violation of the 2006 U.S. – Canada Softwood Lumber Agreement (SLA). The LCIA (formerly the London Court of International Arbitration) issued a decision requiring Canada to remedy its failure to properly restrict exports of softwood lumber from Ontario, Quebec, and other provinces pursuant to the Agreement. Under the Court's decision, Canada must reach an agreement within 30 days on how to compensate the United States for its Softwood Lumber Agreement violations, or apply additional 10 percent export charges on its softwood lumber shipments from those provinces until it raises the cost of its exports by \$54.8 million.

"This important decision sends a clear signal to Canada that the Softwood Lumber Agreement with the United States will be enforced," said Baucus. **"Canada has to comply with all the terms of the agreement, not just pay lip service to it. The United States will ensure that Canada is held accountable for its commitments on softwood lumber."**

The United States and Canada entered into the Softwood Lumber Agreement in 2006 to govern softwood lumber trade between the two countries. In March 2008, the Court issued a decision finding that Canada breached the Softwood Lumber Agreement by failing to properly restrict softwood lumber export volumes from Ontario, Quebec, Manitoba, and Saskatchewan. Yesterday's decision requires Canada to provide compensation for these breaches. Neither the United States nor Canada may appeal.

###