Will Canada Be Able to Negotiate A New Softwood Lumber Agreement With the US Before October 13th

May 11, 2016

The 2006 Softwood Lumber Agreement expired on October 12, 2015. There is now a one-year grace period in which the United States is obliged to refrain from bringing new trade cases against Canadian lumber. This means that new softwood lumber anti-dumping and countervailing duty cases may be filed by U.S. producers but cannot be initiated until October 13, 2016. It is too soon to tell if there will be a new Softwood Lumber Agreement before the October 13, 2016 deadline.Canada is attempting to avoid trade disruption caused by the initiate of new trade remedy disputes. The current understanding is that the United States is asking for hard quotas, which was not what Canada and the United States negotiated in 2006. New hard quotas on softwood lumber would be inconsistent with NAFTA.

Where are we at this point in time?

On May 10, 2016 (late at night), Steven Chase of Canada's Globe & Mail newspaper tweeted the following:

> "Global Affairs given nearly $30M to prepare for possible new softwood lumber war w/ U.S. It's like a stimulus package for trade lawyers."

On May 9, 2016, CBC Politics (@CBCpolitics) tweeted:

> "Freeland says Libs are seized with softwood lumber issue, says she is talking to US all the time and will continue to do so."

> "Karine Trudel says softwood lumber deal has stalled; asks Liberals to defend forestry industry."

Chrystia Freeland is the Minister of International Trade and Karine Trudel is an NDP MP.

From what we can tell, another softwood lumber dispute may be unavoidable. This is an issue we will be writing about in the coming months.

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