

**UNITED STATES – FINAL DUMPING DETERMINATION ON SOFTWOOD  
LUMBER FROM CANADA**

*Arbitration  
under Article 21.3(c) of the  
Understanding on Rules and Procedures  
Governing the Settlement of Disputes*

Report of the Arbitrator  
John Lockhart

1. On 31 August 2004, the Dispute Settlement Body (the "DSB") adopted the Appellate Body Report<sup>1</sup> and the Panel Report<sup>2</sup>, as modified by the Appellate Body Report, in *United States – Final Dumping Determination on Softwood Lumber from Canada*.<sup>3</sup> At the DSB meeting of 27 September 2004, the United States confirmed its intention to implement the recommendations and rulings of the DSB in this dispute and stated that it would require a "reasonable period of time" in which to do so, pursuant to Article 21.3 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the "DSU").<sup>4</sup>
2. On 18 October 2004, Canada informed the DSB that consultations with the United States had not resulted in agreement on the reasonable period of time for implementation. Canada, therefore, requested that such period be determined by binding arbitration, in accordance with Article 21.3(c) of the DSU.<sup>5</sup>
3. Canada and the United States were unable to agree on an arbitrator within 10 days of the matter being referred to arbitration. On 29 October 2004, Canada requested the Director-General to appoint an arbitrator to determine a reasonable period of time for implementation, pursuant to footnote 12 to Article 21.3(c) of the DSU. In a joint letter dated 1 November 2004, Canada and the United States indicated that in discussions that took place following Canada's request to the Director-General, they had "determined that [I] would be a mutually acceptable arbitrator." Accordingly, Canada withdrew its request of 29 October 2004 and both parties requested the Director-General to convey to me their agreement that I act as arbitrator in this matter. I informed the parties of my acceptance of the appointment by letter dated 4 November 2004.<sup>6</sup>
4. Canada and the United States provided their written submissions on 19 November 2004.

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<sup>1</sup>Appellate Body Report, WT/DS264/AB/R.

<sup>2</sup>Panel Report, WT/DS264/R.

<sup>3</sup>WT/DS264/9.

<sup>4</sup>WT/DSB/M/176, para. 34.

<sup>5</sup>WT/DS264/10.

<sup>6</sup>WT/DS264/11.

5. By a joint letter dated 6 December 2004, the parties informed me that they had reached agreement on the reasonable period of time for compliance in this matter. Under the circumstances, it will not be necessary for me to issue an award in this arbitration.

Signed in the original at Geneva this 8th of December 2004 by:

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John Lockhart  
Arbitrator