United States - Final Countervailing Duty Determination with Respect to Certain Softwood Lumber from Canada

(WT/DS257)

Oral Statement of the United States of America at the First Meeting of the Panel

February 11, 2003

Introduction

1. Thank you, Mr. Chairman, and members of the Panel. The United States appreciates this opportunity to present its views on the issues in this dispute. In our oral presentation, the United States will focus on key legal issues that, in our view, have serious implications for the integrity of the WTO *Agreement on Subsidies and Countervailing Measures* ("Subsidies Agreement"). We will also touch on some of the specific facts of this case to examine those legal issues in the context of the full record of the underlying investigation. The United States' oral presentation on these issues will be presented by my colleague.

Argument

2. Thank you, Mr. Chairman, and members of the Panel. The United States welcomes this opportunity to present the Panel with its views on the issues in this dispute and appreciates the time that the Panel is devoting to the resolution of this dispute.

Financial Contribution

3. The Panel knows, of course, that Article 1.1 of the Subsidies Agreement defines a subsidy as a government financial contribution that confers a benefit. Naturally, therefore, the first legal issue in this dispute is whether there is a financial contribution – more specifically, whether Canadian provincial timber sales systems constitute the provision of a good within the meaning of Article 1.1(a)(1)(iii) of the Subsidies Agreement. As demonstrated in the United States' first

written submission, the text and context of Article 1.1(a)(1)(iii), and the object and purpose of the Subsidies Agreement, all lead inexorably to the conclusion that standing timber is a "good."

4. Canada argues that the word "goods" is limited to items that are tradeable across borders and subject to tariff classification. In Canada's view, therefore, if a government gives away standing timber on government land, iron ore or bauxite in government mines, crops growing on government land, or a brand new, state-of-the art steel factory, there is no "financial contribution" and, hence, no subsidy because such property – although plainly valuable – is not tradeable across borders or subject to tariff classification.

5. In light of the object and purpose of the Subsidies Agreement, it should come as no surprise that Canada's argument is devoid of any basis in the text of Article 1.1(a)(1)(iii). To the contrary, the ordinary meaning of the word "goods" is broad, encompassing all property and possessions, including things to be severed from the land, such as standing timber. The sole exclusion in Article 1.1(a)(1)(iii) for "general infrastructure" underscores the intent that the provision sweep broadly, consistent with the ordinary meaning of the term "goods." "Infrastructure" is not tradeable across borders. Nevertheless, infrastructure that is *not* "general" must fall within Article 1.1(a)(1)(iii). To conclude otherwise is to render the explicit exclusion for infrastructure that *is* "general" entirely meaningless. Canada's proffered interpretation, which would exclude anything not tradeable across borders, including non-general infrastructure, does precisely that. By rendering the exclusion meaningless, Canada violates one of the basic principles of treaty interpretation.

6. Canada also argues that, even if timber is a good, because the provinces sell timber on the stump they do not really sell the timber, but simply the right to harvest the timber. Thus, in Canada's view, the form of the transaction rather than its substance is controlling. In reality, this is simply another attempt to carve out of the ordinary meaning of "goods" an exception for standing timber that does not exist in the text of the Agreement.

7. All sales contracts involve the transfer of rights and the assumption of obligations. As the *U.S.–Lumber Preliminary Determination* panel recognized, the only way to sell standing timber is to grant the right to harvest that timber.[1] The uncontested facts leave no doubt that the provinces sell timber. As discussed in our first written submission, and in the amicus submission by the Natural Resources Defense Council,[2] the provinces own the trees on public land. There is one reason and one reason only that companies enter into provincial timber contracts, which we generally refer to as "tenures." They do so to obtain the government-owned timber for their mills. Although tenure holders take on certain obligations in connection with harvesting operations (such as road building), they do so only to be able to cut the trees. The tenure holders pay on a per cubic meter basis and pay only for the trees they cut.

8. Based on a proper interpretation of Article 1.1(a)(1)(iii) of the Subsidies Agreement and an objective assessment of the facts of this case, it should be beyond dispute that, through tenures, the provinces are providing a good – timber – to lumber producers. Accordingly, the

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[1] *See* Panel Report, *United States–Preliminary Determinations with Respect to Certain Softwood Lumber from Canada*, WT/DS236/R, adopted November 1, 2002, para. 7.17 ("*U.S.–Lumber Preliminary Determination Panel Report"*).

[2] *See* Amicus Curiae Submission of the Natural Resources Defense Council, Defenders of Wildlife, Northwest Ecosystem Alliance, American Lands Alliance, Sierra Club, and the Dogwood Initiative, paras. 32-38.

provinces provide a financial contribution within the meaning of Article 1.1(a)(1)(iii) of the Subsidies Agreement.

Benefit

9. We will turn now to the methodology used by the United States to determine whether and to what extent the provinces confer a benefit on lumber producers through the sale of timber for less than adequate remuneration. Consideration of this methodology poses two distinct issues for this Panel. First, there is a crucial question of legal interpretation that goes to the heart of the concept of "benefit" within the meaning of the Subsidies Agreement. Second, there is the issue of the application of that legal concept to the particular facts of this case. It is, in the view of the United States, imperative to examine the legal question before turning to the facts.

10. It is now well settled that a financial contribution confers a "benefit" if, to quote the Appellate Body in *Canada–Aircraft*, it "makes the recipient 'better off' than it would otherwise have been, absent that contribution."[3] Moreover, the Appellate Body stated that, in determining whether a benefit has been conferred, the "marketplace" is the appropriate basis for comparison, i.e., the issue is whether – again quoting the Appellate Body – "the recipient has received a 'financial contribution' on terms more favourable than those available to the recipient in the market."[4]

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[3] Appellate Body Report, *Canada–Measures Affecting the Export of Civilian Aircraft*, WT/DS70/AB/R, adopted August 20, 1999, para. 157 (*"Canada–Aircraft Appellate Body Report"*). Canada also relies on the Appellate Body's definition of benefit. *See* First Written Submission of Canada, para. 65.

[4] *Canada–Aircraft Appellate Body Report*, at para. 157.

11. The guidelines for determining whether such a benefit exists are found in Article 14 of the Subsidies Agreement. With respect to determining whether the government provision of a good confers a benefit, the guidelines in Article 14(d) of the Subsidies Agreement state that a benefit is conferred if the government provides the good for "less than adequate remuneration." Article 14(d) also states that the adequacy of remuneration shall be determined in relation to "prevailing market conditions" for the good in the country of provision.

12. The concept of a comparison "market" therefore is central to the concept of "benefit" generally, and to adequate remuneration specifically. Likewise, what constitutes an appropriate comparison "market" price, consistent with the guideline in Article 14(d), is a central issue in this case.

13. At least one panel has looked more closely at the concept of what constitutes a comparison market for purposes of determining whether a benefit has been conferred. The *Brazil–Aircraft* panel, agreeing with arguments put forth by Canada in that case and following the reasoning of the Appellate Body in *Canada–Aircraft*, concluded that the concept of a comparison market necessarily means a "*commercial* market, i.e., a market undistorted by government intervention."[5] The United States agrees.

14. A benefit is not to be determined by comparison to a "hypothetical" market – and the United States has never argued for such a standard. Nevertheless, the point of comparison must be a commercial market, i.e., one in which prices are determined by market forces, not the government's financial contribution. To conclude otherwise would turn the Subsidies

[5] Panel Report, *Brazil–Export Financing Programme for Aircraft*, WT/DS246/RW/2, adopted August 23, 2001, para. 5.29 ("*Brazil–Aircraft Panel Report"*) (emphasis in original).

Agreement on its head, making government-driven rather than market-driven prices the standard by which a benefit is measured.

15. As the European Communities ("EC") states in its third party submission, "market" conditions exist where prices are "determined by independent operators following the principles of supply and demand."[6] Thus, as the EC implicitly acknowledges, not all observed prices are necessarily "market" prices. We agree. As the United States discussed in its first written submission, "market" prices are prices between independent buyers and sellers in a competitive market where prices are determined by the forces of supply and demand – not driven by the government's financial contribution. Such prices represent what is commonly referred to as "fair market value." It therefore does follow logically, in our view, that, within the meaning of Article 14(d) of the Subsidies Agreement, adequate remuneration is fair market value. That is also how the term adequate remuneration is defined in Canadian law.[7]

16. It is here where the United States most strongly disagrees with the *U.S.–Lumber Preliminary Determination* panel, which stated that even where private prices in the country under investigation are suppressed by the very financial contribution at issue, they are nevertheless "market" prices that an investigating authority may not ignore in determining the existence of a benefit.[8] A price artificially suppressed by the government's financial contribution is not a "market" price, that is, a price between buyers and sellers responding to market forces of

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[6] Third Party Submission by the European Communities, para. 27 ("EC Third Party Submission").

[7] Special Import Measures Regulations, C.R.C. SOR/84-927 (Exhibit U.S.-10).

[8] *See U.S–Lumber Preliminary Determination Panel Report*, at paras. 7.51-7.52.

supply and demand. As the Appellate Body recently cautioned in the *U.S.–Privatization II* report, in assessing market value "one should not overlook the ability of governments to obtain certain results from markets by shaping the circumstances and conditions in which markets operate."[9]

17. The *U.S.–Lumber Preliminary Determination* panel's conclusion that prices in the country under investigation that are suppressed by the government's financial contribution must be used to assess the adequacy of remuneration cannot be reconciled with the concept of "benefit" as articulated by the Appellate Body and prior panels. The panel's conclusion also flies in the face of the very purpose of the subsidy disciplines, and the right of Members to take countervailing measures to offset the injurious effects of a government financial contribution that confers an artificial advantage. Article 14(d) would render that remedy meaningless if it required an investigating authority to use a price determined by the government's financial contribution to assess the adequacy of remuneration. Article 14(d) does not, in fact, contain such a requirement.

18. As the United States stated in its first written submission, the guidelines in Article 14(d) set forth the principle underlying the adequate remuneration inquiry – it is a determination that must be made "in relation to prevailing market conditions" in the country of provision. Unlike other provisions, however, Article 14(d) does not set out detailed rules governing the specific types of data that may be used in conducting that analysis.

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[9] Appellate Body Report, *United States–Countervailing Measures Concerning Certain Products from the European Communities*, WT/DS212/AB/R, adopted January 8, 2003, paras. 123-24 ("*U.S.–Privatization II Appellate Body Report*").

19. Where reliable commercial market prices are available in the country of provision, ignoring such prices would be inconsistent with the guidelines in Article 14(d) of the Subsidies Agreement. Where, however, no such prices exist or are unreliable, an investigating authority may, consistent with Article 14(d), use prices commercially available on world markets as the basis for an assessment of the adequacy of remuneration, provided that those prices are informative as to the fair market value of the goods in the country of provision.

20. There is, in fact, no real dispute that there are circumstances under which, consistent with Article 14(d), an investigating authority may look to sources *outside* the country of provision for data to assess the fair market value of goods *in* the country of provision. The *U.S.–Lumber Preliminary Determination* panel,[10] Canada,[11] the EC and Japan[12] have all implicitly or explicitly acknowledged this. In fact, the EC has explicitly asked the Panel to clarify that there is no prohibition in Article 14 against the use of world market prices in appropriate circumstances.[13]

21. Therefore, the real issue in this dispute is what factual circumstances warrant the use of price data from sources outside the country of provision to determine the fair market value of goods in the country of provision. For example, Canada has acknowledged that, at a minimum,

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[10] *See U.S.–Lumber Preliminary Determination Panel Report*, at para. 7.48.

[11] *See* Joint Case Brief Submitted to the Commerce Department on Behalf of the Government of Canada, Government of Alberta, Government of British Columbia, Government of Manitoba, Government of Ontario, Gouvernement du Quebec, Government of Saskatchewan, Government of the Northwest Territories, Government of the Yukon Territory, and British Columbia Lumber Trade Council, vol. 2, C-6 (February 22, 2002) (Exhibit U.S.-16); *U.S.–Lumber Preliminary Determination Panel Report*, Canada's Responses to the Panel's Questions from the First Substantive Meeting, para. 29 (May 8, 2002) (Exhibit U.S.-17).

[12] *See* Third Party Submission of Japan, para. 8.

[13] *See* EC Third Party Submission, at paras. 27, 31.

the use of world market prices is appropriate in the case of a government monopoly for the good in question. The EC's recent regulation on adequate remuneration provides that the use of world market prices is appropriate when "market benchmark" prices in the country of provision "do not exist or are unreliable."[14] We note that the reliability criterion is important because most legal systems recognize that information that cannot be reliably used to prove or disprove the point at issue has no probative value. The U.S. regulations, which Canada has not challenged, establish essentially the same rule as that found in the EC regulation.

22. The United States therefore joins the EC in requesting that the Panel clarify that the guidelines in Article 14(d) do not establish an absolute prohibition on the use of price data from commercially available sources outside the country of provision as the basis for assessing the adequacy of remuneration. We then ask the Panel to carefully examine the circumstances of this particular case. In so doing, we believe it will become apparent that there were, in fact, no reliable market benchmark prices available in Canada.

23. The price for standing timber is commonly referred to as a "stumpage" price. To determine the adequacy of remuneration in the underlying investigation, the United States calculated province-specific, species-specific market benchmark prices for stumpage. The United States, consistent with its regulations and Article 14(d), requested data on private market transactions for stumpage in each of the provinces for the purpose of calculating those market benchmark prices. In response, to summarize briefly, three of the six provinces – Alberta, Manitoba and Saskatchewan – did not provide *any* data on private market prices for stumpage.

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[14] Notification of Laws and Regulations Under Article 32.6 of the Agreement, European Communities, G/SCM/N/1/EEC/2/Suppl. 3 (November 18, 2002) (Exhibit U.S.-15).

Thus, there should be no dispute that the United States acted consistently with Article 14(d) in using commercially available prices from sources outside Canada to determine the fair market value of timber in those provinces.

24. Following the *Preliminary Determination*,[15] British Columbia ("B.C.") submitted a survey containing a few average prices. The volume of the private timber on which those averages were based, however, represented less than one-half of one percent of the total timber harvested by the survey respondents. Moreover, the survey did not contain the detail or underlying support that would be necessary to calculate market benchmark prices.

25. Ontario provided a limited survey and analysis of private stumpage sales in the province. Similarly, Quebec submitted an average price for private stumpage in the province, which was based on a survey. Quebec used the average price from that survey to derive species-specific administered stumpage prices during the period of investigation. As noted previously, however, data that is not reliable evidence of commercial "market" prices has no probative value for purposes of assessing the adequacy of remuneration. This issue of reliability brings us back to the question of what constitutes commercial market conditions.

26. In the underlying investigation, the United States determined that there were no commercial market conditions – that is, a market undistorted by the government's financial contribution – in any of the provinces, including Quebec, B.C. and Ontario. It is the view of the United States that, as discussed in our first written submission and the amicus submission of the

[15] *See Notice of Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Certain Softwood Lumber Products from Canada*, 66 Fed. Reg. 43186 (August 17, 2001) ("*Preliminary Determination*") (Exhibit CDA-20).

United Brotherhood of Carpenters and Joiners, the evidence of conditions in the Canadian timber market, including the governments' dominant market share, the general lack of incentive for sawmills to pay more for private stumpage than they pay the government, and statements by provincial officials and forestry economists concerning the impact of the government prices on the sale of private timber, is more than adequate to support that determination.[16] Thus, although there is data on observed prices in certain provinces, the record demonstrates that those observed prices are not commercial market prices – that is, prices in a market driven by the forces of supply and demand rather than the government's financial contribution. In our view, therefore, the United States acted consistently with Article 14(d) of the Subsidies Agreement in using data from sources outside of Canada as the starting point for determining the fair market value of timber in Canada.

27. The United States would also like to stress, briefly, that the decision to use commercially available stumpage prices in the United States as the starting point for determining the market value of Canadian timber was not only *a* reasonable alternative, it was the *most* logical alternative. The reason is simple. The market value of trees is based on the value of the downstream products, primarily lumber. The North American lumber market is highly integrated, and over 60 percent of Canada's lumber production is shipped to the United States. The demand for lumber in this integrated market drives the value of trees in both Canada and the United States. Moreover, the facts do not support Canada's suggestion that it has a comparative advantage with respect to the supply of timber. Given the reality of supply and demand on both

[16] *See* Amicus Curiae Submission of the United Brotherhood of Carpenters and Joiners, paras. 7-9.

sides of the border, the logic of starting with U.S. stumpage prices to assess the market value of stumpage in Canada is sound. Moreover, as discussed in our first written submission, the benchmark calculation began with, but did not end with, the U.S. stumpage prices. Numerous adjustments were made to reflect conditions of sale in Canada. The resulting species-specific, province-specific average market benchmarks provided a reasonable basis for determining the adequacy of the remuneration received by each of the provinces, consistent with Article 14(d) of the Subsidies Agreement.

Calculation Issues

28. I will now turn to Canada's claims regarding the manner in which the United States calculated the *ad valorem* subsidy rate. Each of these claims is addressed in our first written submission, but we would like to touch briefly on one of those claims today. Specifically, we will address Canada's claim that the United States was required under Article 19 of the Subsidies Agreement and Article VI:3 of the *General Agreement on Tariffs and Trade* ("GATT 1994") to conduct an "upstream" subsidy or "pass-through" analysis.

29. Canada makes this claim with respect to two distinct situations. The first situation involves milled lumber that is further processed into what is referred to as "remanufactured" lumber. The second situation involves the sale of Crown logs by so-called independent loggers. We will first focus on the issue of remanufacturers.

30. Briefly, by way of background, both milled lumber and remanufactured lumber are within the scope of the investigation. Sawmills, which hold provincial tenures, produce both milled

lumber and remanufactured lumber. There are also independent remanufacturers that may hold Crown tenure, but often do not.

31. The volume of Crown timber entering sawmills was used to calculate the total amount of the subsidy benefit, which is the numerator in the *ad valorem* rate calculation. The vast majority of that timber came directly from tenures held by sawmills. Canada does not dispute that the benefit from the sale of that timber for less than adequate remuneration went to producers of the subject merchandise. The only issue is which producers received what, if any, portion of that benefit.

32. In the investigation, the United States, consistent with the Subsidies Agreement, did not calculate company-specific subsidy rates. Although we determined the total amount of the benefit, we did not determine what portion of the benefit individual sawmills or remanufacturers received. As permitted by the Subsidies Agreement, the United States allocated the total subsidy benefit (the numerator) over all sales of the products resulting from the lumber production process (the denominator). The total amount of the subsidy benefit does not change, however, regardless of how the benefit is allocated. Thus, allocating a portion of the benefit to remanufacturers cannot result in overstating the total subsidy benefit.

33. Moreover, nothing in Article 19 precludes this method of calculating the *ad valorem* subsidy rate. As the United States explained in its first written submission, this type of aggregate, non-company specific rate calculation in an investigation is entirely consistent with the Subsidies Agreement. It does not, as Canada argues, constitute an impermissible presumption that certain producers of the subject merchandise received a subsidy benefit.

Members routinely apply countervailing duties to exports from producers that were not individually investigated, even though the producers may not have received any subsidy benefit or may have a subsidy rate significantly lower than the rate applied. Thus, if allocating some portion of the subsidy to remanufacturers that were not individually investigated is inconsistent with the Subsidies Agreement, then Members are routinely violating the Agreement when they apply any subsidy rate to an exporter that was not individually investigated.

34. We know from Article 19.3 of the Subsidies Agreement, however, that this is not the case. Article 19.3 specifically contemplates that a producer's exports may be subject to countervailing duties without knowing whether or to what extent that particular producer received a subsidy benefit. Article 19.3 simply obligates Members to provide expedited reviews for such exporters to calculate individual subsidy rates. Such reviews are, in fact, currently underway in this case. Some of those reviews have been completed, resulting in company-specific exclusions or company-specific countervailing duty rates. Furthermore, where requested, an upstream subsidy analysis is being conducted for specific companies. The United States' treatment of all producers of the subject merchandise, including remanufacturers, is therefore entirely consistent with Article 19 of the Subsidies Agreement.

35. The second "upstream" subsidy situation is the alleged independent loggers. That is the only situation that could have any potential impact on the *calculation* – rather than the allocation – of the total amount of the subsidy benefit to producers of the subject merchandise. By independent loggers we mean companies that hold a license or tenure to harvest timber, but

do not produce the subject merchandise. They sell the logs to sawmills that do produce the subject merchandise.

36. The United States has acknowledged that, if an independent logger harvested timber off its own provincial tenure and sold the logs to sawmills in arm's-length transactions for fair market value, any benefit the logger may have received does not accrue to the producers of the subject merchandise. The record evidence indicates, however, that sales by independent loggers could only account for a very small portion of the volume of Crown timber entering sawmills, which is the basis for the calculation of the total subsidy benefit. In addition, the evidence suggests that all or most of the sales by independent loggers may not be at arm's-length. Specifically, the record demonstrates that there are a myriad of provincial restrictions on tenure holders, including requirements to process timber locally or in specific mills. Moreover, an upstream subsidy analysis by its nature requires company-specific data and analysis. As discussed more fully in our first written submission, Canada's claim that the United States was required to conduct this type of company-specific analysis in the investigation is without foundation in Article 19 of the Subsidies Agreement or Article VI:3 of GATT 1994.

Specificity

37. Finally, the United States would like to address the issue of specificity – the third and final element essential to a subsidy determination. At issue in this case is Article 2.1(c) of the Subsidies Agreement, which sets out objective criteria that establish when a subsidy is, in fact, specific. Pursuant to Article 2.1(c), a subsidy is specific when the *users* of the subsidy are limited to certain enterprises or industries or to a limited group of enterprises or industries.

38. The users of provincial stumpage are, in fact, limited to timber processing facilities – that is, sawmills and pulp and paper mills. These timber processing facilities constitute a very limited group of industries. In accordance with Article 2.1 of the Subsidies Agreement, therefore, the subsidy from provincial stumpage is specific. Canada's claims to the contrary are based on its own definition of specificity, not the definition in Article 2.1 of the Subsidies Agreement.

39. For example, Canada asserts that a specificity determination under Article 2.1(c) requires an analysis of the reasons *why* the users of the subsidy are limited. Specifically, Canada asserts that there must be evidence of government intent to limit the users of the subsidy. In practice, under Canada's theory of specificity, if the government were to sell a specially designed component for automobile engines, there would be no subsidy even though the component was, in fact, purchased only by automobile manufacturers. There would be no subsidy under Canada's theory because the only apparent reason the subsidy is limited to certain users is the inherent characteristics of the component. Absent evidence of the government's motives, the subsidy would, in Canada's view, not be specific and therefore could not be subject to countervailing duties.

40. Canada's arguments to the contrary notwithstanding, under Article 2.1 of the Subsidies Agreement the subsidy to automobile manufacturers would be specific. The fact that only automobile manufacturers actually purchased the component is sufficient to make that determination. There is no intent requirement in Article 2.1(c) of the Subsidies Agreement, and the Panel may not read into the Agreement what is not there. We note that, with respect to an

analogous issue in the *U.S.–CDSOA* case,[17] the Appellate Body recently rejected the underlying panel's reasoning, which grafted an analysis of intent onto the objective industry support criteria in the Subsidies Agreement. Similarly, in determining specificity, Article 2.1 requires only an analysis of objective facts, i.e., the number of users. It does not require an investigation into the motives of Members that provide subsidies. The issue raised by Canada is therefore entirely irrelevant to the Panel's analysis.

41. Canada's other arguments are similarly without foundation in the Subsidies Agreement. Article 2.1 of the Subsidies Agreement provides for an analysis of "users" of a subsidy, not the number of products those users make, as Canada asserts. Nor is there any textual or logical basis for Canada's assertion that the use of the word "industries" in Article 2.1 essentially requires that a subsidy be limited to the producers of the subject merchandise, or that a "group of industries" must share common characteristics to be specific.

42. The theories proffered by Canada would render a subsidy limited, in fact, to the automobile and textile industries non-specific and therefore not subject to countervailing duties. Such theories simply have no basis in the text of Article 2.1 and are entirely at odds with the object and purpose of the Subsidies Agreement. The fact is that provincial stumpage is used by an extremely limited group of industries in Canada. The United States' determination that provincial stumpage subsidies are specific is therefore consistent with Article 2.1(c) of the Subsidies Agreement.

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[17] Appellate Body Report, *United States–Continued Dumping and Subsidy Offset Act*, WT/DS217/AB/R, WT/DS234/AB/R, circulated January 16, 2003, paras. 283, 290 ("*U.S.–CDSOA Appellate Body Report*").

Conclusion

43. That concludes our oral presentation. Thank you for your attention. In the interest of time, we have not addressed all of Canada's claims in our oral presentation. We believe that our first written submission has adequately and clearly presented our views on the remaining issues to the Panel. However, we would note that in light of the rather extensive presentation by Canada today, we may, after we have an opportunity to digest it, have additional comments. We welcome, however, questions from the Panel on any of those issues, as well as the issues addressed here today.