

Discontinuation of the 10 Percent Duties Imposed by Section 301 Action on Softwood Lumber Imports from Canada

This is to advise you that U.S. Customs and Border Protection (CBP) will no longer collect 10 percent duties on softwood lumber imports from Canada associated with the Section 301 action, effective for those entries that bear Canadian export permits with shipment dates of September 1, 2010 or later.

The Office of the U.S. Trade Representative (USTR) issued a Federal Register Notice (August 30, 2010, 75 FR 53014) stating that the United States and Canada have come to an understanding that results in the United States discontinuing collection of this 10 percent duty.

Effective September 1, 2010, all CBP ports will carefully monitor softwood lumber imports from Canada to ensure that the 10 percent duty has been paid on those entries that have Canadian export permits with shipments dates of August 31, 2010 or earlier.

Some guidelines regarding the 10 percent duty collection are listed in the table below:

Canadian Export Permit	Shipment Date	Entry Date	Pay 10% Duty?
If issued in the month of August (permit number begins with a "H")	Through August 31, 2010	Anytime (even after September 1, 2010)	Yes
If issued in the month of September (permit number begins with a "I")	On or after September 1, 2010	On or after September 1, 2010	No
If the export permit begins with a "R"	Through August 31, 2010	Anytime (even after September 1, 2010)	Request export permit from importer to check shipment date and refer to scenarios above

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The HTSUS number 9903.53.01 will continue to be active until CBP can ensure that all associated duties have been collected.

Background

On April 15, 2009, USTR imposed a 10 percent ad valorem duty on softwood lumber and softwood lumber products that are subject to the United States – Canada Softwood Lumber Agreement (SLA) of 2006 and whose region of origin is one of the four eastern provinces of Canada (Ontario, Quebec, Manitoba, and Saskatchewan). This duty was imposed on goods entered for consumption or withdrawn for warehouse on or after April 15, 2009, until \$54.8 million is collected.

This action applies to importations of softwood lumber and softwood lumber products, as noted in the Annex to the Federal Register Notice (published April 14, 2009, 74 FR 17276) and defined in Annex 1A of the SLA. Although specific Harmonized Tariff Schedule of the United States (HTS) numbers are listed in this Annex, for purposes of determining if a product is covered by this action, the article descriptions should be used. Importations from companies that are excluded from the SLA are also excluded from this ad valorem duty.

On July 12, 2010, the Government of Canada passed legislation allowing Canada to impose an additional 10 percent export charge on all softwood lumber products that are subject to the Section 301 action imposed by the United States. The United States and Canada reached an understanding that the United States would cease collections of this duty on September 1, 2010 and that Canada would collect the monies as an export charge until CDN \$68.26 million is reached.

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