

**Softwood Lumber From Canada:  
Export Permit Number to be Required for Cargo Release  
As of May 1, 2007**

Effective May 1, 2007 NGJ will require that a valid Canadian lumber export permit number either be provided on U.S. import documentation or otherwise made available in order for NGJ to prepare a U.S. cargo release application for imported softwood lumber products from Canada covered by the Canada-United States Softwood Lumber Agreement of 2006 (2006 SLA). This policy is intended to facilitate the compliance of exporters and importers of record with requirements imposed by the Governments of both the U.S. and Canada under the 2006 SLA.

The aforementioned policy is intended to help protect Canadian exporters from potential liability under Canada's Export and Import Permits Act and regulations including the Export Control List. In particular, without a permit issued under the Export and Import Permits Act, it is a punishable offense to export goods from Canada included in the Export Control List, including softwood lumber products covered by the 2006 SLA. Department of Foreign Affairs and International Trade Canada's Notice to Exporters No. 143 (September 19, 2006; available at <http://www.dfait-maeci.gc.ca/eicb/notices/ser143-en.asp#13>) provides additional details.

The policy is also intended to help protect importers of record of U.S. entries from potential liability to U.S. Customs and Border Protection (CBP). CBP's interim regulations addressing entry of softwood lumber products from Canada (see our *NGJ International Trade Update* of October 20, 2006 at <http://www.ngjensen.com/news/itu/2006-10-20-2.pdf>) require, among other things, that an export permit number be provided on the U.S. entry summary for each entry of imported merchandise covered by the 2006 SLA. CBP has recently notified us that it will be moving forward with aggressive enforcement procedures, including the issuance of monetary penalties, in the near future. CBP has also indicated that it is in the process of preparing a final rule that will provide for the issuance of liquidated damages against an importer of record's U.S. entry bond where a valid permit number is not provided on the entry summary for affected merchandise.

Accordingly, as of May 1, 2007, in order to perform U.S. cargo clearance application for shipments of softwood lumber products from Canada covered by the 2006 SLA, NGJ will require that a valid and applicable Canadian lumber export permit number be provided on the U.S. import documentation or otherwise be made available to NGJ in connection with the merchandise. Exporters are recommended to monitor the status of their export permit applications in this regard. If an export permit number is not provided by the time the cargo release application must be prepared, clearance of shipments at the U.S. port of entry may be delayed.

Please contact your NGJ account representative or nearest NGJ office if you have any questions regarding this matter.

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