

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

Notification of an Appeal by the United States  
under paragraph 4 of Article 16 of the Understanding on Rules  
and Procedures Governing the Settlement of Disputes (DSU)

The following notification, dated 13 May 2004, from the Delegation of the United States, is being circulated to Members.

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Pursuant to Article 16 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") and Rule 20 of the Working Procedures for Appellate Review, the United States hereby notifies its decision to appeal to the Appellate Body certain issues of law covered in the Report of the Panel on *United States – Final Dumping Determination on Softwood Lumber from Canada* (WT/DS264/R) and certain legal interpretations developed by the Panel.

The United States seeks review by the Appellate Body of the Panel's legal conclusion in paragraphs 7.224 and 8.1(a)(i) of the Panel's Report, and the reasoning leading thereto. Therein, the Panel found that the determination of the U.S. Department of Commerce was inconsistent with Article 2.4.2 of the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* inasmuch as it was based on a methodology whereby sales in the United States of different models or types of merchandise at above their normal value were not accounted for by offsetting or reducing the amount of dumping found to have occurred with respect to other models or types (a methodology referred to by the Panel as "zeroing"). This finding is in error and is based on erroneous findings on issues of law and related legal interpretations contained in paragraphs 7.213 through 7.223 of the Panel's Report.

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