

The first arbitration was initiated on August 13, 2007, related to an adjustment to be applied to the calculation of Expected US Consumption under the SLA ([detail](#)).

- On March 4, 2008, the LCIA ruled that the adjustment only applies to export quota regions (Option B regions), not Option A regions such as BC, and that it applies as of January 1, 2007. The decision is final and not subject to appeal.
- On February 26, 2009, the LCIA ruled that a remedy is required to cure the breach, and recommended an appropriate remedy would be an additional export charge of 10% applied to Option B regions until \$68.26 million (or US\$54.8 million) has been collected.
- On March 27, 2009, Canada offered a cash payment of \$46.7 million to the U.S. to cure the breach. The U.S. did not accept Canada's offer, and announced on April 7, 2009 a 10% ad valorem customs duty to be collected by the U.S. on softwood lumber imports from the Option B regions until US\$54.8 million is collected.
- On April 2, 2009, Canada asked the LCIA to confirm that the cash payment cures the breach in a manner consistent with the SLA. On September 28, 2009, the LCIA ruled that Canada's cash payment did not cure the breach, and that the compensatory adjustments to Canada's export charges must be imposed until the \$68.26 million has been collected. Canada complied with the LCIA's decision, and took over collection of the additional 10% duty on September 1, 2010.