

Canada to appeal WTO ruling on softwood lumber that endorsed U.S. practice of 'zeroing'

By Alexander Panetta

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The Canadian government said today that it will appeal part of a WTO ruling on softwood lumber to challenge a methodology the U.S. uses to calculate punitive duties.

Foreign Affairs Minister Chrystia Freeland [said](#) the government would appeal the portion of a [decision last week](#) related to the U.S. practice of [zeroing](#).

The practice involves assigning a dollar value of zero to certain exports, which critics say unfairly drives up duties.

The WTO last week upheld the U.S. use of zeroing, while at the same time ruling that the U.S. did not properly calculate duties on Canadian lumber in 2017.

"Canada will be appealing the WTO panel's separate findings on ... zeroing and its use of the differential pricing methodology," Freeland said.

"The WTO has ruled more than 20 times that zeroing, a method of calculating and applying artificially high and unfair duty rates, is inconsistent with WTO rules."

The office of the U.S. Trade Representative [had celebrated](#) the ruling as a win.

Separately, Freeland said she welcomed the WTO panel ruling that the U.S. did not follow the rules in calculating its anti-dumping duties.

"The United States must bring its measures into conformity with its WTO obligations," she said.