



4 February 2016

Mr. Shuichi Takatori  
State Minister of Cabinet Office of Japan  
Japan

Dear State Minister,

In connection with the signing on this date of the Trans-Pacific Partnership Agreement (the Agreement), I have the honour to confirm the following understanding reached by the Government of Canada and the Government of Japan during the course of negotiations regarding trade in forest products.

Canada and Japan agree to the creation of, among others, a Bilateral Forestry Committee on Forest Products, which will undertake to review the necessity of safeguard mechanisms in the trade of forest products during the fifth calendar year after the date of entry into force of the Agreement for Canada and Japan, and as a standing agenda item in each subsequent calendar year thereafter. The Committee will also undertake to review the understandings between the Governments of Canada and Japan as described below. Either Canada or Japan may raise a matter relating to the understandings set out in this letter to the Committee, and the Committee shall seek to resolve that matter. Either Canada or Japan with whom the matter is raised shall accord sympathetic consideration to the position of the other side.

In the context of liberalized trade for forest products, upon implementation of the Agreement, notwithstanding the exception for the export of logs of all species from the application of Articles 2.3 (National Treatment) and Article 2.10 (Import and Export Restrictions) in Chapter 2 (National Treatment and Market Access for Goods) of the Agreement, the Government of Canada shall issue permits upon request for the export of logs destined for Japan following the procedures set out in the *Export and Import Permits Act* and its applicable notices and regulations and provincial and territorial laws and regulations.

For greater certainty, Canada and Japan confirm that nothing in this letter shall have any other implications with respect to Canada's existing practices and procedures relating to its existing measures concerning the export of logs of all species. In respect of the export of logs, Canada and Japan maintain their rights and obligations under the WTO Agreement, and any dispute regarding a matter relating to the export of logs shall be settled under the WTO.

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Government  
of Canada

Gouvernement  
du Canada

I have the further honour to propose that this letter, equally valid in French and English, and your letter of confirmation in reply shall constitute an understanding between our two Governments on the application between Canada and Japan of rights and obligations contained in the Agreement, which shall enter into force on the date on which the Agreement enters into force for Canada and Japan.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Chrystia Freeland', written in a cursive style.

The Honourable Chrystia Freeland  
Minister of International Trade  
Canada

Auckland, February 4, 2016

The Honourable Chrystia Freeland  
Minister of International Trade  
Canada

Excellency,

I have the honour to acknowledge the receipt of your letter of February 4, 2016, which reads as follows:

"In connection with the signing on this date of the Trans-Pacific Partnership Agreement (the Agreement), I have the honour to confirm the following understanding reached by the Government of Canada and the Government of Japan during the course of negotiations regarding trade in forest products.

Canada and Japan agree to the creation of, among others, a Bilateral Forestry Committee on Forest Products, which will undertake to review the necessity of safeguard mechanisms in the trade of forest products during the fifth calendar year after the date of entry into force of the Agreement for Canada and Japan, and as a standing agenda item in each subsequent calendar year thereafter. The Committee will also undertake to review the understandings between the Governments of Canada and Japan as described below. Either Canada or Japan may raise a matter relating to the understandings set out in this letter to the Committee, and the Committee shall seek to resolve that matter. Either Canada or Japan with whom the matter is raised shall accord sympathetic consideration to the position of the other side.

In the context of liberalized trade for forest products, upon implementation of the Agreement, notwithstanding the exception for the export of logs of all species from the application of Articles 2.3 (National Treatment) and Article 2.10 (Import and Export Restrictions) in Chapter 2 (National Treatment and Market Access for Goods) of the Agreement, the Government of Canada shall issue permits upon request for the export of logs destined for Japan following the procedures set out in the *Export and Import Permits Act* and its applicable notices and regulations and provincial and territorial laws and regulations.

For greater certainty, Canada and Japan confirm that nothing in this letter shall have any other implications with respect to Canada's existing practices and procedures relating to its existing

measures concerning the export of logs of all species. In respect of the export of logs, Canada and Japan maintain their rights and obligations under the WTO Agreement, and any dispute regarding a matter relating to the export of logs shall be settled under the WTO.

I have the further honour to propose that this letter, equally valid in French and English, and your letter of confirmation in reply shall constitute an understanding between our two Governments on the application between Canada and Japan of rights and obligations contained in the Agreement, which shall enter into force on the date on which the Agreement enters into force for Canada and Japan."

I have further the honour to confirm that my Government shares this understanding and to agree that your letter, equally valid in English and French, and this letter in reply shall constitute an understanding between our two Governments on the application between Japan and Canada of rights and obligations contained in the Agreement, which shall enter into force on the date on which the Agreement enters into force for Japan and Canada.

高鳥修一

Shuichi Takatori  
State Minister of Cabinet Office of Japan